REPORT

OF THE

ROYAL COMMISSIONERS

Appointed by Commission, addressed to them,

UNDER THE

GREAT SEAL OF CANADA,

BEARING DATE THE

Fourteenth day of August, A. D., 1873.

OTTAWA, 1873.

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DUFFERIN.

CANADA.

VICTORIA, by the Grace of GOD, of the United Kingdom of Grtat Britain and Ireland, QUEEN, Defender of the Faith, &c,, &c., &c.

JOHN A. MACDONALD, *Attorney Geueral of Cunada.*

To the Honorable Charles Dewey Day, of the City of *Montreal*, in the *Province* of *Quebec*, in *Our Dominion of Canada* late one of the Judges of the Superior Court in and for Lower Canada, The *Honorable Antoine Polette* of the *City* of *Three Rivers* in the said *Province* of *Quebec*, one of the Judges of the Superior Court in and for Lower Canada, and *James Robert Gowan* of the *Town of Barrie* in the *Province of Ontario*, in *Our* said Dominion, Esquire, Judge of the County Court of the County of Simcoe, in the said Province of Ontaro *and to all others to whom these Presents shall come or whom the same may in any wise concern.*

GREETING:

Wheaers the *Honorable Lucius Seth Huntington*, of the *City* of *Montreal* in the *Province* of *Quebec*, a member of the Honorable the House of Commons of Canada, in his place in Parliament, did on the second day of April, in the year of Our Lord One Thousand Eight hundred and seventy three, move the following Resolution:—

"That he the said Lucius Seth Huntington, is credibly informed and believes that he can establish by satisfactory evidence, that in anticipation of the Legislation of last Session, as to the Pacific Railway, an agreement was made between *Sir Hugh Allan*, acting for himself, and certain other Canadian Promoters, and *G. W. McMullen*, acting for certain United Statet Capitalists, whereby the latter agreed to furnish all the funds necessary fet the construction of the contemplated Railway, and to give the former a certain per centage of interest, in consideration of their interest and position, the scheme agreed upon being ostensibly that of a Canadian Company with Sir *Hugh Allan* at its head,—

"That the Government were aware that these negociations were pending between the said parties,—

"That subsequently, an understanding was come to between the Government, *Sir Hugh Allan* and *Mr. Abbott*, one of the members of the Honorable House of Commons of Canada, that *Sis Hugh Allan*, and his friends should advance a large sum of money for the purpose of aiding the elections of Ministers and their supporters at the ensuing general elections, and that he and his friends should receive the contract for the construction of the Railway,—

"That accordingly Sir *Hugh Allan*, did advance a large sum of money for the purpose mentioned, and at the solicitation and under the pressing instance of Miniscers,—

"That part of the monies expended by Sir *Hugh Allan* in connection with the obtaining of the Act of Incorporation and Charter, were paid to him by the United States Capitalists under the agreement with him,—

"That a Committee of seven members be appointed to inquire into all the circumstances connected with the negociations for the construction of the Pacific

Railway with the legislation of last session on the subject, and with the granting of the Charter to *Sir Hugh Allan* and others. with power to send for persons, papers and records, and with instructions to report in full the evidence taken before, and all proceedings of the said Committee, which said resolutisn upon a division of the said House was lost,—

And whereas the Right Honorable Sir John A. Macdonald, Knight, also a member of the said House of Commons of Canada, in his place in Parliament, did, on the eighth day of April aforesaid, move a resolution in the words following: "That a select committee of five members (of which committee the mover shall not be one) be appointed by this House to inquire into, and report upon the several matters contained and stated in a resolution, moved on Wednesday, the second day of April instant, by the *Honorable Mr. Huntington*, member for the County of Shefford, relating to the Canadian Pacific Railway, with power to send for persons, papers and records, to report from time to time, and to report the evidence from time to time, and if need be, to sit after the prorogation of Parliament," which said last named resolution was carried.

And whereas, by an Act of the Parliament of Canada passed on the third day of May, in the year of our Lord one thousand eight hundred and seventy-three, and in the thirty-sixth year of *Our* Reign, intituled "An Act to provide for the examination of witnesses on oath by Committees of the Senate and House of Commons in certain cases," it is amongst other things in effect enacted,

"That whenever any witness or witnesses is or are to be examined by any Committee of the Senate or House of Commons, and the Senate or House of Commons shall have resolved that it is desirable that such witness or witnesses shall be examined on oath, such witness or witnesses shall be examined upon oath or affirmation where affirmation is allowed by law."

And *Whereas the Honorable John Hillyard Cameron*, also a member of the said House of Commons of Canada, in his place in Parliament, did, after the passing of the said above named Act of Parliament, and on the third day of May aforesaid, move a resolution in the following words:—

"That it be an instruction to the said select Committee to whom was referred the duty of enquiry into the matters mentioned in the statement of the *Honorable Mr. Huntington*, relating to the Canadian Pacific Railway, that the said Committee shall examine the witnesses brought before it upon oath," which was carried;

And Whereas the said Act of Parliament has, since the passing thereof, been disallowed by Her Majesty;

And Whereas no power exists whereby the said Committee, so appointed as aforesaid, can legally administer oaths to witnesses brought before it, whereby one of the objects desired by the said House of Commons cannot be attained;

And Whereas it is in the interests of the good Government of Canada not only that full inquiry should be made into the several matters contained and stated in the said above recited resolution of the eighth day of April aforesaid, but that the evidence to be taken on such inquiry should be taken on oath in the manner prescribed by the said resolution of the third of May aforesaid, and the Governor in Council has deemed it expedient such inquiry should be made;

Now Know Ye that, under and by virtue, and in pursuance of the Act of the Parliament of Canada made and passed in the thirty-first year of *Our Reign* intituled "An Act respecting inquiry into Public Matters" and of an order of the Governor in Council made on the thirteenth day of August in the year of *Our* Lord one thousand eight hundred and seventy three;

We reposing special trust and confidence in the loyalty and fidelity of you the said *Charles Dewey Day, Antoine Polette*, and *James Robert Gowan* have constituted and appointed you to be our *Commissioners* for the purpose of making such inquiry as aforesaid, of whom you, the said *Charles Dewey Day* shall be Chairman, and we *do authorize* and *require* you, as such Commissioners, with all convenient despatch, and by and with all lawful ways and means *to enter* upon such *enquiry*, and to *collect evidence*

and *to summon before you* any parties or witnesses, and to require them to give evidence, on *oath or on solemn affirmation*, if they be parties entitled to affirm in civil matters, and to produce such documents and things as you may deem requisite, to the full investigation and report of the matters and statements aforesaid. *And We* do hereby order and direct that the sittings of you, the said Commissioners, under this *Our* Royal Commission shall be held at the *City of Ottawa*, in *Our Dominion* of *Canada*.

And We do require you to communicate to *Us* through *Our* Secretary of State of Canada, and also to the *Honorable* the *Speaker* of the *Senate*, and to the *Honorable* the *Speaker* of the *House* of *Commons* of *Canada*, *as well the said evidence, as any opinions* which you may think fit to express thereupon. *And We* do *Strictly Charge* and Command all *Our* Officers and all *Our* faithful subjects and all others, that in their several places, and according to their respective powers and opportunities, they be aiding to you in the *execution of this Our* Commission.

In Testimony whereof, We have caused these *Our Letters to be made* Patent, and the Great Seal of Canada to be hereunto affixed. Witness Our Right Trusty and Well Beloved Cousin and Councillor the Right Honorable Sir Frederick Temple, Earl of Dufferin, Viscount and Baron Clandeboye of Clandeboye in the County Down, in the Peerage of the United Kingdom, Baron Dufferin and Clandeboye of Bailyleidy and Killeleagh, in the County Down, in the Peerage of Ireland and a Baronet, Knight of Our Most Illustrious Order of Saint Patrick and Knight Commander of Our Most Honorable Order of the Bath, Governor General of Canada, and Vice Admiral of the same.

At Our Government House, in Our City of Ottawa, this Fourteenth day of August in the year of Our Lord one thousand eight hundred and seventy-three, and in the thirty-seventh year of Our Reign,

By Command,

J. C. AIKINS,
Secretary of State.

REPORT.

To the Right Honorable Sir Frederick Temple, Earl of Dufferin, Viscount and Baron Clandeboye of Clandeboye, in the County of Down, in the Peerage of the United Kingdom, Baron Dufferin and Clandeboye and Bailyleidy and Killeleagh, in the County of Down, in the Peerage of Ireland, and a Baronet, Knight of the Most Illustrious Order of Saint Patrick and Knight Commander of the Most Honorable Order of the Bath, Governor General of Canada, and Vice-Admiral of the same:

May it please Your Excellency:

The undersigned Commissioners, appointed by Royal Commission addressed to them under the Great Seal of Canada, bearing date the fourteenth day of August, A.D., 1873,

Have the honor to Report —

1. That they met at Ottawa on the eighteenth day of August last for the purpose of making preparations for the discharge of the duties imposed upon them by the Commission.

2. The course of proceedings was then settled, and the fourth day of September last was appointed for entering upon the examination of witnesses.

3. The Commissioners on undertaking the enquiry they were enjoined to make had hoped that the entire conduct of it would not have been left in their hands, that the Hon. Mr. Huntington or some one who believed that the charges specified in the Commission could be established by evidence, would have conducted the enquiry before them, and they had resolved in such event, not only to accept such aid in the investigation, but to allow to the promoter at least the same latitude in the mode of proceeding as the recognised officers in courts of justice are allowed in ordinary judicial investigations, and also to give to the members of the Government a like latitude for defence. This course appeared to the Commissioners to be just and in accordance with what they believed to be your Excellency's wishes and expectations.

4. In the prosecution of their work the Commissioners have called before them such persons as they had reason to believe could give any information on the subject of it, or otherwise facilitate the investigation, and especially the Hon. Mr. Huntington, to whom a letter annexed to this Report*, was addressed on the 21st August last past, requesting him to furnish to the Commission a list of such witnesses as he might wish to examine, and to proceed on the day named with evidence in the premises.

5. A letter was also addressed to the Hon. the Secretary of State, giving notice of the day appointed for proceeding, a copy of which is also annexed. *

6. In the interval, between the first day of meeting and the day so appointed, summonses were duly served upon Mr. Huntington and others, to appear and give evidence.

7. On the 4th day of September the Commissioners met, and after the publication of the Commission, the witnesses cited for that day were called.

8. Mr. Huntington failed to appear.

9 The evidence of the Hon. Henry Starnes was taken, and a sealed packet placed in his possession by Sir Hugh Allan and Mr. George W. McMullen, was produced and deposited with the Commissioners.

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* See Appendix, p. 220.

10. The sealed packet was opened, with the consent of Mr. Starnes and Sir Hugh Allan, and the several papers it contained were put in proof.

11. The Commissioners then examined the other witnesses in attendance, and afterwards, on successive days, proceeded to the examination of those whose names are on the list styled "List of Witnesses to be examined," hereto annexed. *

12. Of the thirty-three gentlemen, whose names are on that list, twenty-nine have been examined.

13. Two of these, Mr. George W. McMullen and the Hon. A. B. Foster failed to appear, although duly summoned; the former through a special messenger sent to Chicago for that purpose.

14. The other two, Mr. Henry Nathan and Mr. Donald A. Smith, are resident; the former in British Columbia, and the latter in Manitoba. The distance and consequent delay in securing their attendance, and the large outlay it would cause, rendered it inexpedient, in the judgment of the Commissioners, to call them to give evidence.

15. In addition to those whose names are on the above-mentioned list, the Commissioners have called and examined Mr. Daniel Y. McMullen, Sir Hugh Allan, the Hon. J. J. C. Abbott, and the Hon. Mr. Ouimet.

16. Most of these witnesses were cross-examined on behalf of the Government by Sir John A. Macdonald, or other members of it.

17. Mr. Charles M. Smith, of Chicago, was summoned by the Commissioners, but did not appear.

18. Evidence has also been given by Mr. Frederick C. Martin, and Mr. Thomas White, whose names were furnished by members of the Government, and Mr. George Norris, Jr., and Mr. J. A. Perkins, whose names were also so furnished, were cited to appear, but made default.

19. The Commissioners, on the 23rd day of September, while still in the course of their examinations, requested, by public announcement, all persons possessing any information on the subject of the enquiry, to appear and give evidence before them.

20. No evidence has been offered in answer to this announcement.

21. The Commission closed its sittings for taking evidence on the first day of October, instant. These sittings were public and open; and accomodation was provided for Reporters of the public press.

22. The Commissioners have endeavored, in obedience to the requirements of the Commission to obtain from the witnesses all the evidence pertinent to the subject matter of the enquiry which they were able to give.

23. This evidence is contained in depositions, thirty-six in number, and in certain documents, all of which are annexed to this Report, and specified respectively in the accompanying List and Schedule. †

24. If the evidence be considered redundant, it has arisen from the nature and circumstances of the enquiry, which rendered it inexpedient to limit its range by the technical rules of evidence observed in the ordinary tribunals.

25. With respect to that portion of the Commission which leaves to the discretion of the Commissioners the expression of their opinions upon the evidence they have determined not to avail themselves of the liberty so given.

26. They had arrived at that conclusion before they were informed of Your Excellency's views on the subject, and they feel confirmed and justified in it, by a communication received before their labors commenced, to which Your Excellency kindly permits them to allude, relating to one or two points on which they thought it their duty to consult Your Excellency before entering upon the execution of their task.

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* See p. ix.

† See List of Witnesses Examined, p. xi, and List of Exhibits, p. 189.

LIST OF WITNESSES TO BE EXAMINED.

Sir Francis Hincks.
Geo. W. McMullen.
Hon. D. L. Macpherson.
Hon. Mathew Henry Cochrane.
Hon. Asa B. Foster.
Hon. Jean Charles Chapais.
Norman W. Bethune.
Andrew Allan.
Louis Beaubien.
Victor Hudon.
Edward Lefebvre de Bellefeuille.
Hon. Joseph O. Beaubien.
Hon. Jean Louis Beaudry.
Peter S. Murphy.
Charles A. Leblanc.
Jackson Rae.
James Dakers.
Robert N. Hall.
Joseph Hamel.
Wm. Blumhart.
Sir John A. Macdonald.
Hon. Hector L. Langevin.
Danl. McMullen.
Chas. J. Coursol.
Jean Baptiste Beaudry.
F. W. Cumberland.
E. R. Burpee.
Sandford Flemming.
H. N. Nathan, Jr,
D. W. N. Smith.
D. McInnes.
Hon. A. Campbell.
Hon. Peter Mitchell.

LIST OF WITNESSES SUMMONED.

Abbott, Hon. J. J. C.
Allan, Andrew.
Allan, Sir Hugh.
Beaubien, Hon. J. O.
Beaubien, Louis.
Beaudry, Hon. J. L.
Beaudry, J. B.
Bethune, N. W.
Blumhart, W. E.
Burpee, Egerton R.
Campbell, Hon. Alexander.
Chapais, Hon. J. C.
Cochrane Hon. M. H.
Coursol C. J.
Cumberland, F. W.
Dakers, James,
De Bellefeuille, E. L.
Fleming, Sandford.
Foster, Hon. A. B.
Hall, R. N.
Hamel, Joseph.
Hincks, Sir F.
Hudon, Victor.
Huntingdon, Hon. Lucius Seth.
Langevin Hon. H. L.
Le Blanc, C. A.
Macdonald, Rt. Hon. Sir John A., R.C.B.
MacPherson, Hon. D. L.
Martin, F. C.
McGreevy, Hon. Thomas.
McInnes, D.
McMullen, George W.
McMullen, Rev. D.
McMullen Danl. Y.
Mitchell, Hon. Peter.
Murphy, P. S.
Norris, jr., George.
Ouimet, Hon. G.
Perkins, John A.
Rae, Jackson.
Smith, Charles M.
Starnes, Hon. Henry.
White, jr., Thomas.

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DEPOSITIONS

Taken before the HONOURABLE CHARLES DEWEY DAY, late one of the Judges of the Superior Court in and for Lower Canada, The HONOURABLE ANTOINE POLETTE, one of the Judges of the Superior Court in and for Lower Canada, and JAMES ROBERT GOWAN, Esquire, Judge of the County Court of the County of Simcoe, in the Province of Ontario, Royal Commissioners appointed by Commission addressed to them, under the Great Seal of Canada, bearing date the fourteenth day of August A.D., 1873.

At the Parliament Buildings, Ottawa.

S. J. VANKOUGHNET, Esquire, D.C.L.
Secretary.

FIRST DAY.

THURSDAY, 4th SEPTEMBER, 1873.

The Secretary read the Commission.
The shorthand-writer sworn was Matthew Hutchinson.

PROVINCE OF ONTARIO, }
City of Ottawa. } IN THE MATTER OF THE COMMISSION.

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN. Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. MR. HUNTINGTON in the House of Commons on the second day of April, A. D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this fourth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

THE HONBLE. HENRY STARNES, of the City of Montreal, Banker, who being duly sworn, deposeth and saith:

I received a Subpœna *duces tecum* to appear before the Commissioners and produce the papers described therein, and I hereby produce them to be fyled in this matter. The said papers were placed in my possession for safe keeping by Mr. Abbott on behalf of Sir Hugh Allan and Mr. McMullen. In producing them in compliance with the orders received from the Commission, I beg to state that I object to their being opened without the consent of Sir Hugh Allan. I think it my duty to make this objection as they were placed in my possession for safe keeping. They are returned as they were placed in my hands as they were when I first received them. The superscription "Henry Starnes, Sir Hugh Allan, G. W. McMullen" was put on by myself, they were placed in my hands a day or two before Sir Hugh Allan's departure for England to be left with me. There are three distinct parcels, one to Mr. McMullen, one to Sir Hugh Allan and one addressed to myself. They were handed to me by Mr. Abbott on behalf of Sir Hugh Allan, Mr. McMullen was also present at the time I received them from Mr. Abbott.

I have no knowledge of what those papers contain.

I have no objection to the package being opened providing Sir Hugh Allan's consent is obtained.

(Hon. Mr. Abbott hereupon produced a written consent that the said package of papers be opened by the Commissioners.)

Question—Have you any knowledge in relation to such negociations as are described in the charges mentioned in the Commission in this matter, as being carried on between Sir Hugh Allan and Mr. McMullen for the purposes designated in this Commission?

Answer—I have no personal knowledge.

Question—Were you a member of an election committee in 1872, in conjunction with Mr. Beaudry and Mr. Murphy?

Answer—I was requested to go upon that committee but did not attend regularly.

I am aware that money was received for election purposes. I might state that I was requested by the late Sir George E. Cartier to act on the committee as he felt

that the elections would be hotly contested and that he was aware that his opponents were well furnished with ample means, and it would be necessary to fight them with money. I objected as I did not wish to take any part. He however felt that there was a desire to make the elections by means of Railways, and he was determined to have nothing to do with that, as he wished to make his election upon his own merits, and it would be necessary for me to get friends to subscribe and to get as much money as we possibly could. I went round and got subscriptions. He then told me that Sir Hugh Allan would subscribe liberally and I believe Sir Hugh Allan did subscribe very largely, but his subscription did not come exactly to my knowledge.

I cannot say how all the money came but it was deposited with me, and by what means I do not exactly know. It was placed in the Bank of which I am President and paid out by cheques.

This money was derived from other subscribers as well as from Sir Hugh Allan. The bulk of this money came from Sir Hugh Allan, I understood. Various parties subscribed in smaller or larger sums.

I have no original receipts which were given by the Election Committee. When the receipt was published in the Montreal newspapers, I was astonished as I had forgotten all about it. I was surprised, for I had signed it I suppose in the hurry of the election; I might have signed more than one.

I know nothing about the two letters referred to in the newspapers in connection with this receipt. I have no knowledge as to where either of those letters now is.

The money was not paid upon any specific conditions contained in these letters. There was no condition as far as I know.

I signed this receipt inadvertently, and knew nothing at all about it till it was published in the newspapers.

I have no idea or knowledge in whose hands those letters now are.

I was not induced to give that receipt on account of any particular undertaking. I believe there were more than one receipt given. I have reason to believe there were.

I don't know what amount was derived from Sir Hugh Allan's subscription, except what passed through my hands, and I cannot say now what that amount was.

When I first joined the Committee, I understood it was to look after Sir George Cartier's election, but afterwards the committee seemed to assume the control of elections outside of Montreal, to what extent I cannot say.

I don't know of any other information that would facilitate the object of this inquiry.

I cannot state exactly the amount I received for the support of the elections, but I think it was about sixty to seventy thousand dollars, which was raised by way of subscriptions and from Sir Hugh Allan. The envelope of the package having been removed by consent of the witness, the following endorsement was written on the inner parcel:—

"Within ten days after the end of the coming Session of Parliament, the Hon. "Henry Starnes is requested to deliver envelope No. "one" to Sir Hugh Allan, and "envelope No. "two" to G. W. McMullen, unless objection be made by Sir Hugh "Allan to his doing so, in which case he will open the envelope addressed to himself "and act as instructed therein.

(Signed) "HUGH ALLAN,

" "G. W. McMULLEN.

"Montreal, 26th February, 1873."

I know the handwriting of Sir Hugh Allan, but not that of Mr. McMullen. The latter was present when the parcel was given me.

I have no objection now, seeing the consent from Sir Hugh Allan, to open the package. (The package was then opened by the witness and returned to the Commissioners.)

And on this twelfth day of September, 1873, the witness re-appeared and made the following addition to his foregoing deposition. In my evidence I stated that the amount of money that passed through my hands was $60,000 to $70,000 –on reference to the books of the bank, I find it was $66,357.

And further the deponent saith not, and this, his deposition, having been read to him, he declares it contains the truth, persists therein, and hath signed.

Sworn taken on the fourth of September, 1873, and acknowledged on the twelfth of said month and year. } (Signed) HY. STARNES.

(Signed) CHARLES DEWEY DAY, *Chairman.*

" A. POLETTE,

" JAMES ROBERT GOWAN, *Commissioners*

PROVINCE OF ONTARIO, *City of Ottawa.* } IN THE MATTER OF THE COMMISSION.

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this fourth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

SIR FRANCIS HINCKS, of the City of Montreal, who being duly sworn, deposeth and saith:

I presume that the best course will be to give a narrative of the circumstances beginning before the legislation. In fact it may be well that I should commence from the earliest stage of the proceedings in regard to the Pacific Railway. I believe the first person with whom I had any conversation that I recollect of on the subject of the Pacific Railway, was Mr. Cyril Graham, a gentleman who acted as Commissioner for the Hudson Bay Company, in the years 1870 and 1871.

On his return from the United States, he told me that he had been in communication with several influential gentlemen, and that he thought satisfactory arrangements could be made, by which great economy would be produced with regard to the construction of the Pacific Railway. That he believed the Americans would be prepared to abandon the Western Section of the Northern Pacific Road, carrying it through Canadian territory, if the Canadians would abandon their Eastern Section and carry it through United States territory by the Sault Ste. Marie. I heard all that he said upon the subject, and I must say that it produced some impression upon my mind.

About the month of May, 1871, Sir John Rose sent me a copy of a letter which he had addressed Sir John A. Macdonald, in which he informed me, that persons in London had spoken to him very much in the same terms that I have mentioned that Mr. Graham had represented to me, and suggesting in the letter either that we should approach these gentlemen in the United States, or let them understand that they might approach us, and at the same time offering that if he could be of any service in London, that he would be happy to be so.

In consequence of these statements, I certainly formed a pretty strong idea that satisfactory arrangements could be made with capitalists in the United States.

The next circumstance that I would mention, was the arrival in Ottawa of a number of gentlemen of whom Mr. McMullen was one; Mr. Smith, of Chicago, was a second; James Beatty, of Toronto, a third; and Mr. Kersteman and Mr. Waddington, and I think there was another whose name I cannot recollect, but I think he was a Toronto gentleman.

They asked an interview with members of the Government. The only members in Ottawa at that time were Sir John A. Macdonald and myself. I think I was the person to whom they were first introduced, and Sir John A. Macdonald consented to give them an interview, which they had. We heard what they had to say; they produced a document signed by some six, seven or eight gentlemen of standing in the United States, and of known wealth. I forget their names now, but there was General Cass, Mr. Ogden was another, and I think Mr. Scott, of Philadelphia, was another. The date was in July, 1871, probably about from the tenth to the thirteenth of July.

They were told distinctly that it was not in the power of the Government to enter into any negociations with them. I think that Mr. Smith and Mr. McMullen had an interview with me in my own room, and we had some little conversation but did not amount to anything. It was simply an understanding that it was impossible for us to enter into negociations at all at that time. After they had returned to Toronto, I got a letter from a gentleman who had accompanied them there, and who I understood was their professional adviser at the time, and I had some correspondence with him. I refer to Mr. Beaty. In the course of that correspondence, he mentioned his intention of going to Montreal to induce Sir Hugh Allan to join the scheme. He had not at that time been spoken to. I wrote very discouragingly to Mr. Beaty in reply, simply on the ground that I did not see how it was possible to talk about a scheme which the Government had not come to any conclusion upon, as to what assistance they could give. I did not see that the matter was in such a stage as admitted of its being discussed at all. After that I saw Sir Hugh Allan in Montreal, but as I felt that the suggestion of his name came from Mr. Beaty entirely, writing with the sanction of Mr. McMullen, I therefore inferred that the suggestion of Sir Hugh Allan came from them, and as I had been the means of preventing their opening communication, I thought it was only fair to give him the list of names who were willing to engage in the building of the Pacific Railway.

That conversation with Sir Hugh Allan must I think have taken place about the beginning of August. I cannot recollect the day exactly, but I do recollect that I told him that Sir John A. Macdonald would be in town I think, either that evening or the next evening. Sir John was passing through to a watering place, and intended to go from the Ottawa boat to the Quebec boat without stopping in Montreal. Sir Hugh did see him, I was not present at the interview, but Sir Hugh told me that he had had a discouraging reply from Sir John, as he did not think the Government was in a position to enter into negociations. I afterwards went to the Maritime Provinces, and in October, Sir Hugh Allan came with these same gentlemen, Mr. McMullen and Mr. Smith having been in communication with him, with another proposition. At that time there was a considerable number of Members of the Government present. I have seen Mr. McMullen's statements, and he gives the names of nine of these persons, and I presume he gives them correctly. On that occasion what passed was this: The gentlemen were introduced, Sir John A.

Macdonald then asked Sir Hugh Allan whether he had a proposition to make to the Government. Sir Hugh Allan's reply was—"If I make a proposition, are you prepared to enter into negociations on the subject." Sir John answered that "he was not prepared to do so," and Sir Hugh Allan rejoined "Then I am not prepared to make any proposition." That was the whole conversation on the subject that took place at that interview. Sir Hugh Allan went shortly afterwards to England, and returned very early in December. When he returned I had a conversation with him. I must have been in Montreal in December, although I have no very special recollection of it.

Whenever we met, he was always talking of the Pacific Railway, and inasmuch as a great number of conversations took place of this kind, I think I ought to state, with regard to evidence of this kind, that where two persons have different interests, and not in a position to understand what is passing in each other's mind, that very often there will be misunderstandings in regard to what passed at these conversations.

My desire was to be as reticent as possible. I had no proposition to make on the part of the Government. He, on the other hand, was most anxious to get the Government to agree to some proposition, so as to enable him to make progress with his arrangements. I say this, because I observe by letters which have been published, that it is alleged that I said something about advertising for tenders, with the view to avoid the Government incurring blame. Now, I have no doubt whatever, that I did point out to Sir Hugh Allan that it was wholly impossible for the Government to come to any arrangement without the sanction of Parliament, and it is not improbable that I may have discussed the question about advertising for tenders, but I could scarcely have told him that we were determined to advertise for tenders, because no such determination was ever arrived at. Several conversations took place, and different persons will have different views. I may have suggested to advertise for tenders to find out whether there was any other person besides Sir Hugh Allan, who would come forward and undertake the building of the road. We, as a Government, had pledged ourselves to procure the construction of the Pacific Railway, and we had also determined to try to do it by the instrumentality of a chartered company.

We were anxious to find out what persons there were in the Dominion who would undertake the building of the railway, and upon what terms they would be willing to construct it. A number of unauthorized conversations took place with Sir Hugh Allan, but Sir Hugh knew perfectly well that these conversations were unauthorized, and that I was not speaking the sentiments of the Government. I simply stated what occurred to my own mind in the course of the conversations. Sir Hugh also knew perfectly well that my views with regard to the construction of the Pacific Railway harmonized a great deal more with his own than any other member of the Government. He knew that I was not opposed individually to the admission of American capitalists. He was well aware of that from the first. He was well aware that my views were in favour of coming to some arrangements with the Americans, as there would be economy in the postponement of a certain section to a later period so as to get one complete road through. We had a good many conversations, and he was also aware that some members of the Government were much opposed to admitting Americans into the scheme at all. All these conversations took place long before the Session of Parliament—long before any scheme was determined upon by the Government. They were had with a view to my getting in the information I could with regard to the best scheme for constructing the road.

The next circumstance I would advert to, was the final arrangement that the Government came to with regard to the railway, which was submitted to Parliament. That scheme was decided upon by the Government, after the most careful consideration, without any conference with any outside persons at all, as to the extent of land and money they would give.

When Parliament met, I would say that during the whole of 1871, there was a

great coolness in the principal parts of Ontario with regard to the scheme. No propositions were made such as those that emanated from Sir Hugh Allan. Nothing was done until just about the time of the meeting of Parliament. It then became evident that there would be a proposition made to Parliament for the chartering of more than one company. The Government did not think it desirable to oppose any of the charters but to let them take their own course, taking power to establish a separate company if they should deem it necessary to do so. I may observe that during the Session of Parliament, it became more and more clear, and I was very reluctantly convinced, that it was absolutely necessary to exclude the Americans entirely from the company, and from that time I may say this became the settled policy of the Government.

Question—What date do you give to that?

Answer—The meeting of Parliament.

Question—Was that previous to the passing of the Act?

Answer—During the time the Act was under consideration and before the passing of the Act. It was then perfectly understood by all the members of the Government that the Americans would have to be excluded. After the Session of Parliament broke up, about the 12th or the 15th of June, I think, I went to the West and was engaged in the Election, and I had no communication with Sir Hugh Allan for a great many weeks, probably months—I must have left Ottawa very early in July, and I was not in Montreal after the Session to the best of my recollection. I do not recollect seeing any one, and no arrangement of any kind was made by the Government about the Pacific Railway. Nothing was to be done until after the elections. The next action taken by the Government was, I think, in the month of September or October, 1872, after the elections were entirely over, when negotiations were commenced with a view of procuring an amalgamation of the two Companies, —the Inter-Oceanic and the Canadian Pacific—Sir Hugh on behalf of his Company wrote accepting the proposition of the Government, that the two Companies should be amalgamated on condition of their being united on fair terms taking the principal gentlemen of both companies. The Committee of the Inter Oceanic Company, of which Mr. Macpherson was chairman, gave reasons why they could not join. One of their principal reasons was that Americans were still in the Company. That document was sent to Sir Hugh Allan for his Company to report upon it, and they did report upon it. About the 16th of October, I think, a minute of Council was prepared, and that minute gave a full and faithful narrative of every thing connected with the Pacific Railway and the negotiations up to that time.

It was hoped that that minute of Council, as it pledged the Government to prevent the Americans coming in, and stated that the Government would take adequate means of doing so, would induce the Inter-Oceanic Company, as it was called, to join in this amalgamation. They still refused, however, and on their final refusal it became necessary for the Government to see what course they would have to take under the circumstances. Sir Hugh Allan had been very anxious, and my own opinion is that it would not have been an unreasonable demand after the refusal of the other company to amalgamate, that the charter should be given to the Company of which he was chairman. However, the Government, upon a full consideration, determined to adopt a different course of proceeding. I have no doubt they were impressed a good deal by some views of Mr. Macpherson which he put forward very strongly in his correspondence with regard to amalgamation, that no person from British Columbia were included in the scheme as put forth, and that Sir Hugh had stated that if British Columbia were introduced the maritime Provinces would also require a representation. Mr. Macpherson thought they should be represented, and I have no doubt these arguments had as great a weight with the other members of the Government as they had with me. Finally it was arranged that a Company should be incorporated containing thirteen members, divided into fair proportions between the different sections of the Dominion: from Ontario, 5; from Quebec, four, and from

each of the other Provinces, one, making thirteen in all. We gave a great deal of consideration to the whole scheme, and finally agreed upon names after a good deal of negociation. Some names were suggested and withdrawn, others were spoken to but refused to act, and finally these names were agreed upon, certainly without the concurrence of Sir Hugh Allan in any way whatever. On the contrary, it is within my own knowledge that he objected to many of the names. The names were taken as fairly as possible from the Province of Ontario, one of them the Vice-Chairman of the Inter-Oceanic Company, another who had no connection with either, but whom it was desirable that we should select, namely: Mr. Sandford Fleming, and there was only one name that had been originally in the Canada Pacific Company, a gentleman of large means and high standing, Mr. Donald McInnes of Hamilton. He was the only one from Ontario at all connected with Sir Hugh Allan. From Quebec one name was taken against the most urgent remonstrances of Sir Hugh Allan, Mr. Hall of Sherbrooke. The gentlemen had each of them the same interests as Sir Hugh Allan, who had only a thirteenth the same as the others. He had no controlling power in the company whatever. He got no benefit of any kind throughout the whole course of these negotiations. I state most positively that it was impossible for any undertaking to be got up with a greater desire to promote the interests of the country than the Pacific Railway. Every detail was considered with the greatest possible care, and as far as my own individual opinion goes, although I had very little personally to do with the charter, I think that the Company,—I do not refer to Sir Hugh Allan particularly,—were treated with less liberality than the Government ought to have shewn them. My opinion all along was that it was an enterprise which to be successful the parties going into it must be treated with the greatest possible liberality. I should say further that there was a stipulation made when these thirteen gentlemen were allowed to subscribe stock that they were to offer it with the exception of a small reservation to each, on the same terms to the public as they were to get it themselves, and offices were to be opened in Ontario, Quebec and the other Provinces for the subscription of stock. I think that is as far as I can go with regard to the transaction altogether.

Question—In your reference to July, 1871, have you stated all you recollect that passed then—your statement was that that was an unimportant interview which led to conversation and discussion, but no results?

Answer—No results. We listened to what they had to say. I mentioned that an informal proposal was made, signed by a number of gentlemen. I cannot at this moment recollect the exact number of acres per mile that was proposed, but I recollect that it was not based upon a lump sum, but upon getting a bonus of $15,000 a mile cash, and a certain number of miles on each side of the railway, which I do not exactly recollect, likely twenty.

Question—Do you remember whether there was any expression of the wish or intention of the Government, that prominent Canadian names should be among the members of this company; was there anything insisted upon of that kind?

Answer—Nothing at the meeting of Sir John A. Macdonald and myself with these gentlemen. I think it is probable in private conversation, that I may have said that it was unfortunate there were no Canadian names in the company. It was my feeling at the time, and knowing that it was so, it is probable that I might have expressed it.

Question—I understood you to say distinctly that anterior to the legislation on the subject in 1872, there were no negociations between Sir Hugh Allan and Mr. McMullen, as representing the United States capitalists, for the purpose of putting this enterprise into the hands of an American Company, with Sir Hugh Allan at its head?

Answer—Of course I was perfectly aware from the fact that Sir Hugh Allan came to Ottawa with these gentlemen, that he was corresponding with them, and that negociations between him and them were going on, but I never saw their agreement

and never knew there was one until recently, when I saw among the papers published that there was some agreement which I have never seen. I have no knowledge of my own of an agreement between them, and simply knew of the fact that they were corresponding with one another.

Question—Have you any reason to believe that any of the Members of the Government were aware that negociations were going on?

Answer—I am sure that they did not know of any agreement, but they must have known just as I did, that Sir Hugh Allan was negociating with them from the fact that Sir Hugh Allan came with them to Ottawa, but they knew of no agreement any more than I did, and they never gave any assent to it.

Question—Have you in your possession any correspondence relating to this matter, that you could lay before the Commission?

Answer—I had a correspondence very shortly after these gentlemen visited Ottawa in July, 1871, with Mr. Beaty who attended them down and introduced them. It originated with Mr. Beaty. He wrote me a letter. I replied to that letter. He wrote me another and I replied to that. I have no objection to lay it before the Commission, except simply, the objection of laying before you a confidential correspondence of that kind, but I don't apprehend that there is anything in it that any great objection can be taken to, and I hereby produce them to be fyled.

Question—Do you mean to contradict, in unqualified terms, that an understanding was come to between the Government and Sir Hugh Allan, and Mr. Abbott, one of the members of the Honourable House of Commons of Canada, that Sir Hugh Allan and his friends should advance a large sum of money for the purpose of aiding the election of ministers and their supporters at the ensuing general elections, and that he and his friends should receive the contract for the construction of the Pacific Railway?

Answer—Yes; and I would add this, that of course I cannot positively swear with regard to anything that passed between individual members of the Government and Sir Hugh Allan, but I know of my own knowledge that everything connected with the Pacific Railway charter came under my own observation, and I know that it was not given with any reference to that whatever.

I positively contradict it.

Question—Do you know whether such an understanding was come to between these gentlemen—Mr. Abbott and Sir Hugh Allan, and any member of the Government?

Answer—I know of none.

Question—Were your relations with Sir Hugh Allan as intimate as those of the other members of the Government, or more or less?

Answer—I should think about the same, very much about the same.

Question—Have you any knowledge that any money was furnished by Sir Hugh Allan for the support of the elections?

Answer—Well, I suppose I may say I have that knowledge now, but if I refer back to the period of the elections, No. I am now aware from circumstances I have heard, and which I suppose the whole public have got, that Sir Hugh Allan was a liberal contributor to the election fund. I am aware of this from circumstances that have come since to my knowledge.

Question—Had you any knowledge of that at the time or before the elections?

Answer—No. Not until long after the elections, a considerable time after.

Question—Do you know for whose election any particular sums were contributed?

Answer—I cannot say that I do. I have reason to believe that there was a very large amount contributed for the Montreal elections.

Question—You state that Sir Hugh Allan was not to have any controlling influence in the company; was it not understood that he was to be President?

Answer—I do not know that it was so understood. Of course members who went in were perfectly free, I presume, to vote for whoever they pleased. I did not take any part in the communication that passed between any of these gentlemen, and I really do not know what passed. I don't know whether they were canvassed by any member of the Government on behalf of Sir Hugh Allan, but I would not be surprised if they were.

Question—Can you state any certain sum of money that was contributed by Sir Hugh Allan?

Answer—No, I cannot state of my own knowledge. I cannot give hearsay evidence.

Question—Have you any knowledge that any sum of money was offered to any member of the Government for the purpose of influencing him in connection with the Pacific Railway?

Answer—I am perfectly convinced there was nothing of the kind.

Question—Or any other inducement or advantage?

Answer—None.

This may be a proper time to explain a circumstance which has been referred to in the papers, which seems to imply that I desired some inducement of some kind. Reference was made to my having stipulated for a situation on the Pacific Railway for one of my sons. Now I desire to explain exactly what passed. When I wrote my letter very hastily, I at the moment really had forgotten the circumstance which made very little impression upon my mind, but I afterwards distinctly recollected it. My youngest came in October, 1871, to pay a visit to his friends. He then held an office in British Guiana, and came here on leave of absence. I was anxious to keep him in Canada, and to establish him in business. Some time during the fall of 1871, and while Sir Hugh Allan was absent from the country, a friend in Montreal suggested to me the idea of purchasing out a forwarding business, which was likely to become vacant in consequence of the death of a gentleman, who died in the latter part of November, 1871, and it was supposed that his business after his death would be disposed of. This matter had been brought under my consideration, and I took the opportunity of Sir Hugh Allan's being in Ottawa, to consult him on the subject. He was on a visit for three or four days at Rideau Hall, in January, eighteen hundred and seventy-two (1872), after his return from England. The cause of my having any conversation with him, was simply to ask his advice with regard to this business, as I considered him more competent to give an opinion than any one that I knew of. He strongly advised me to have nothing to do with it, and at the end of the conversation, I simply said, if you hear of any opening for my son, I would be glad if you would bear him in mind. He made the remark that when the Pacific Railway is started, there will be plenty of opportunities, and so little importance did I attach to the conversation that I never mentioned it to my son, and it never crossed Sir Hugh Allan's mind or mine that there was any thing corrupt one way or the other, with reference to the conversation. If it was wrong at all, I am alone responsible for it, for no other member of the Government knew anything about it, nor did I attach importance to it. Of course I have seen Mr. McMullen's narrative, and if there is any thing I have not noticed, I would like to have an opportunity of adding to this statement.

I say most distinctly that no such conversation was had with me that a round sum of money down would be preferred by me at my time of life. I swear most positively that no such conversation ever took place. No such thing was ever mentioned by me to Sir Hugh Allan or by him to me. There is a statement that I said something of Sir George Cartier's jealousy with regard to the Grand Trunk to the Pacific. Mr. McMullen thought I had a conversation to that effect with him. I can

only say that I have no recollection of any such conversation. I don't think it is at all likely that I had spoken to him about Sir George Cartier's views on the subject, but it is quite correct to say that Sir George was very strongly opposed to the Americans having any interest in the scheme.

Most unquestionably the Americans never received any pledges of any kind or description, as stated by Mr. McMullen.

Question—Did you not mention a memorandum of which you had taken a copy, given you by the Americans?

Answer—I took a copy of the names but not of the memorandum, and these I handed to Sir Hugh Allan.

There was no money received or paid by the Government for or in consideration of giving the contract.

There is mention made in Mr. McMullen's letter that I received a specific sum of $4,800 from Sir Hugh Allan. I deny this in the most positive terms. I received no sum of money whatever.

Question—By Sir John A. Macdonald through the Chairman.

Can you state when the elections commenced generally, and when they ended?

Answer—My impression is that they commenced about 15th July, or perhaps the beginning of July, and I should say from memory that they ended about the middle of August.

Question—Up to the time of the return of the writs of the elections which took place in September, was there any policy suggested to the Government, or before the attempt of the amalgamation of the two companies.

Answer—None.

Question—During all that period was it or was it not understood that a strenuous attempt should be made to effect an amalgamation of the two companies.

Answer—Certainly, and much later I had reason to believe that there was good ground to expect that an amalgamation would take place.

During the whole period the elections were going on, and until long after, perhaps as late as the beginning of October this was the case.

Question—In October, were or were not the efforts of the Government renewed to affect an amalgamation of the two Companies.

Answer—Yes.

Question—Was there any suggestion from any person to the Government that you are aware of, or was it the policy of the Government to issue a charter under the Government Act till after the failure of all attempts at amalgamation?

Answer—Certainly not.

Question—Then the charter which was issued and is now in existence is based on a Policy which was only adopted by the Government in October or November after the attempt to amalgamate had proved a failure?

Answer—Yes, I should be inclined even to put it to a later period. The arrangement of the new Company took a considerable time. I presume that it was about the latter end of November that the policy of the Government to work by means of a company of that kind was decided upon.

And further, for the present, deponent saith not.

And on this fifth day of September, 1873, reappeared the said witness who desires to give some explanation of his answer to the question on a preceding page of his deposition, and gives the following explanation:

I wish to answer this question at greater length. I never heard of any suggestion to the Government to issue a charter under the General Act, and the Government never contemplated issuing such a charter till they became satisfied that it was impossible to effect an amalgamation between the rival companies.

The correspondence alluded to in my foregoing deposition is in the words following:

LETTER MARKED "B."

TORONTO, 17th July, 1871.

Confidential.

SIR FRANCIS HINCKS,

Ottawa, Ont.

DEAR SIR,—I have been thinking over the suggestion about the introduction of some of our Canadian Capitalists into the Canadian Pacific Railway Company and thought it proper to write to you for the purpose of having your views upon the matter, and especially to have the names you would suggest. Our American friends have no objection, on the contrary they are anxious to meet the reasonable views of yourself or the Government on that point. You will oblige, therefore, by naming such persons as you think proper to have associated in the matter, either from personal or political considerations. Those who have already done anything in the way of a formation of a company, or with that object in view, we would be specially glad to deal with. We have authority to a certain extent to distribute some shares in the concern, which if they would not be of any profit would not be any loss to the holders, and no money is required. If you could make it convenient to write by return mail it would be convenient that we might consult with one of the American Gentlemen now here.

Yours truly,

(Signed) JAMES BEATY, JR.

LETTER MARKED "C."

OTTAWA, 20th July, 1871.

Confidential.

MY DEAR SIR,—I have been almost constantly confined to the house since I received your letter of the seventeenth, and having at once sent you a telegram, that would enable you to assure your friends, that no such arrangement as you suggested would be practicable, I put off writing until I could do so more satisfactorily. It strikes me that you fail to appreciate the suggestion relative to Canadians being induced to interest themselves in the projected railway to the Pacific. I am inclined to believe that some Americans of capital and influence might be induced to take hold of the scheme, but in my judgment they will find it expedient, if not absolutely necessary, to associate themselves with Canadians of equal position and means by whose instrumentality this very gigantic scheme can be brought favourably before British capitalists. Any scheme requiring large aid from Government will be viewed with great jealousy by the public. It is not the business of the Government to name parties nor to suggest to any one that they would like particular persons brought into a scheme. The government have to consider propositions brought before it on their merits, and will be expected, I think, to see that the Canadian promoters of any scheme are not only able, but willing to put money into it,—a most indispensable condition which you seem not to attach any importance to.

I fear that you are going altogether too fast when you refer to an authority to distribute shares in a company which has not even been formed, and the projectors of which are not yet in a position to take the most initiatory step. I inferred from what I heard from the American gentlemen who lately visited Ottawa, that they had come under a complete misapprehension of facts, and that they believed that

Mr. Waddington and Mr. Kersteman had had some previous understanding with the Government. You may rely on it that one of the main difficulties in the present scheme, is that Canada is, as it were, represented by Mr. Kersteman chiefly, who is looked on by those with whom I have conversed, as a "man of straw." It is clear that men of this type would only be taken hold of by capitalists on the ground of their having influence of some kind, for which they must be paid, and if paid, the payment must come from the public chest eventually. The American gentlemen who have means expect, and have a right to expect, a good contract, but it is clear that if they have to subsidize Canadians, their demands will be higher. A great mistake has, I fear, been already made, and your letter induces me to think that you contemplate proceeding further in a wrong direction. The first step will be for the Government to determine what aid they will give in land and money, and things would have gone much smoother if that had been decided before any appeal had been made to capitalists on the other side. When terms have been agreed to, then the names to be inserted in a charter will become a matter of consideration and negociation. This is the view which I take, but you will understand that I am merely giving you my own ideas and without consultation. I know, however, that there is great anxiety that this work should get into first-rate hands.

Yours faithfully,

(Signed) F. HINCKS.

LETTER MARKED "D."

Confidential.

TORONTO, 24th July, 1871.

Sir FRANCIS HINCKS,

Ottawa, Ont.

DEAR SIR,—I am much obliged to you for your last letter and the observations you make therein. I had a keen appreciation of the proprieties and necessities of the case when I understood the matter. You must notice, however, that I never saw Mr. Waddington until I met him on my way to Ottawa; and I believe I had only spoken to Mr. Kersteman about two or three times before that Wednesday when I started for Ottawa upon a notice received two hours before in the Court House that I was expected to go. I learned pretty nearly all I knew on my way down. I had just one conversation that amounted to any thing before I left, with Mr. K.

I then perceived that the whole matter was disorganized and required complete reconstruction as far as Canada was concerned, but I could not then back out. I was up to that point only introduced as a lawyer, and of course had to attend to my clients' behests. I could not do even what I thought prudent at Ottawa. The very suggestions made pressed themselves upon my attention from the very beginning; but how to arrange them and how to meet obstacles of the present position I could not then determine. When I returned home with the knowledge I had made, I made up my mind both from the standpoint of public policy and the legal standpoint, that no Senator or Member of Parliament could be in the Company much less be on the Board as a Director. This settled one question directly, at the same time it opened up new difficulties. The field is very limited for selection when you exclude the Senators and Members of Parliament, and where to appeal was another grave question. Of course we do not *now* seriously contemplate to have on the Board either Mr. W. or Mr. K., although they have both done a kind of service that must be acknowledged. My own view was, and I think it is or will be your view, that names must be presented to the Canadian and general public that will at the least have the appearance of not only being willing *but able* to command the money or capital necessary to build the road, and which will meet with the approval of Parliament. These name are few and far between in Canada.

Taking the cue I received, I at once upon my return entered into negociation with Mr. Laidlaw, who I now am fully aware has been to some extent in communication with

gentlemen in Montreal, such as Allan, Stephen, and King, to the same end that we have in view, although nothing substantial has been done. The probabilities are, I will go with him to Montreal before the end of a week or two on this subject. What it may result in I cannot tell. It must not be imagined, however, that the present organization, although immatured and incomplete, is to be despised. I assure you that it is not either in this country or the United States. We do not mean to make any fuss about subsidizing Canadians. Canadians will be quite willing to come into any undertaking that they think will pay, and we do not intend, whatever may be the end, to go into anything else. We have room for others, and mean to get them, and there are shares still open, and we do not expect men to associate in an important enterprise of this sort without substantial inducements. They will not do it for amusement, that I have learned in my short life. As to such men as Waddington and Kersteman, being representative men, it is not thought of. They will, however, put themselves forward, and no one that I know of can prevent them; but all that will, if it is not already, be satisfactorily arranged. There are a few men to be thought of in this connection in Ontario, Gzowski, Laidlaw, Manning, McGivern, and Adam Brown, of Hamilton, Wilson, of Picton, are presentable. Then in Quebec, Hugh Allan, Geo. Stephen, King, of Bank of Montreal, and one or two more that some one else could name would be all that on first sight can lay claim to any notoriety or availability in this direction. Many business men might be suggested both here and there if time permitted, but these are prominent, yet after all they are very few, and of others how many would be willing to take stock with the Grand Trunk before their eyes. Even some of these names are not the most popular in Railroad connection. As the matter now stands I am the representative of the American gentlemen who are interesting themselves in the road. And except for the waywardness of Mr. Waddington, would be the only medium of communication for the Canada gentlemen. I myself am of the opinion that there is plenty of time before the surveys are complete or before Parliament sits to consider all these questions; still such a Company as will be necessary for this purpose to accomplish a work so extensive and important cannot be arranged in a month even; so time had better be taken by the forelock. There is no doubt very crude notions have been entertained about this matter, but I think they are now pretty well dismissed. I am satisfied, however, unless the Government grants are very substantial, few will be inclined to engage in an enterpaise of such magnitude.

I remain,

Yours very truly,

(Signed), JAMES BEATY, Jr.

LETTER MARKED "E."

Confidential.

OTTAWA, 26th July, 1871.

MY DEAR SIR,—I have received your letter of the 24th inst. I note that you had yourself arrived at the conclusion, before coming to Ottawa, that "the whole matter was disorganized and required complete reconstruction." You mention your intention of proceeding with Mr. Laidlaw to Montreal to see certain parties. Mr. Laidlaw is represented to be a shrewd business man, and yet from your account he is about to see persons regarding a scheme the advantages of which neither he nor you can have the slightest idea of; at least I certainly am wholly ignorant at this moment what aid in land and money the Government will recommend the Parliament to grant. How any one under such circumstances can look to men of business about being concerned in a scheme, I am at a loss to comprehend, and I am persuaded that owing to Mr. Kersteman's premature and most injudicious proceedings, the greatest injury has been done to a great undertaking.

Believe me, truly yours,

(Signed,) F. HINCKS.

JAMES BEATY, Jr.

And further deponent saith not, and this his deposition having been read by him, he declares it contains the truth, persists therein and hath signed.

Sworn and taken in part on the fourth of September, and taken in part on the fifth September, eighteen hundred and seventy-three, and acknowledged on the sixth instant.

(Signed), F. HINCKS.

(Signed), CHARLES DEWEY DAY, *Chairman.*

" A. POLETTE,

" JAMES ROBERT GOWAN, *Commissioners.*

PROVINCE OF ONTARIO, *City of Ottawa.*

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. MR. HUNTINGTON in the House of Commons on the second day of April, A. D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this fourth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

ANDREW ALLAN, of the city of Montreal, who being duly sworn deposeth and saith:

I know Mr. McMullen by sight, but I have never spoken to Him. I have heard the charge read and I have no knowledge of any such agreement as mentioned in it having been made by Sir Hugh Allan and Mr. McMullen as representing certain American capitalists. I have no knowledge of the subject at all. I have no knowledge that any agreement was ever made of the kind between Sir Hugh Allan and G. W. McMullen relating to the furnishing of funds necessary for the construction of the Pacific Railway, George W. McMullen acting for certain United States Capitalists.

Question—Have you any knowledge relating to this matter of the Pacific Railway and the charges that have been read to you?

Answer—I have no knowledge of any kind relating to the matter.

Question—Have you any knowledge that any money was advanced by Sir Hugh Allan to promote the elections?

Answer—I have not.

I know nothing personally of the matter all. The only thing I know is from what I have learned from reading the newspapers.

I am a brother of Sir Hugh Allan, and his partner in business.

Question—By Sir John A. Macdonald through the Chairman—

Have you been in the habit of discussing these matters with your brother?

Answer—I was not. We never spoke about it at all until these matters were published in the newspapers.

And further deponent saith not, and this, his deposition having been read by him he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken the on fourth day of September, and acknowledged on the eleventh of September, eighteen hundred and seventy-three.

(Signed), ANDREW ALLAN.

(Signed), CHARLES DEWEY DAY, *Chairman.*

" A. POLETTE,

" JAMES ROBERT GOWAN, *Commissioners.*

PROVINCE OF ONTARIO, *City of Ottawa.*

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this Fourth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

E. L. DEBELLEFEUILLE, of the City of Montreal, Advocate, who being duly sworn, deposeth and saith:

I have heard the charge read.

Question—Have you any knowledge of an agreement between Sir Hugh Allan and Mr. McMullen, acting for certain American capitalists, with a view to furnishing funds by the Americans, fc the building of the Pacific Railway?

Answer—I have none. Not the least.

Question—Have you any knowledge of any negociations whatever between Sir Hugh Allan and Mr. McMullen?

Answer—I know nothing personally, except what appeared in the public newspapers.

I knew nothing of it before it appeared in the public prints.

Question—Did you take a part in the late elections of last summer?

Answer—I did in some Counties, but not in Montreal East.

Question—Are you aware that any sums of money were supplied from any source whatever, for the purpose of carrying on the elections in Lower Canada?

Answer—I know that Sir Hugh Allan did advance some money for the elections, but don't know what amount. That advance was made some time in August I think.

Question—To whom was the money paid?

The witness objects to this question, inasmuch as he does not see any relation between the question and the accusation which the Commission is instructed to enquire into.

Objection over-ruled.

Answer—I know of only one sum of money which was paid, and only one person who received money namely—Louis Beaubien, of Hochelaga. It was paid to him for the purposes of his election.

Question—Do you know of any money that was paid for the promotion of Sir George Cartier's election?

Answer—I do not know it personally, but I was not a member of the Committee of Sir George Cartier.

Question—Do you know what amount was advanced to Mr. Louis Beaubien for his election?

Answer—He got a cheque for seven thousand dollars from Sir Hugh Allan. I have no personal knowledge of any further sums being advanced by Sir Hugh Allan. This sum advanced to Louis Beaubien was made in September, I think, and I can now remember that he was paid this amount after he was elected. I am positive of that now.

Question—Why was it given to him then?

Answer—To pay the expenses made in his election, and I now well remember Mr. Beaubien gave his note for it. I think he had to refund it. I don't know what delay he would have given him to pay it.

I could not say from what source this money was derived, I only saw the cheque of Sir Hugh Allan. I don't know where the money came from.

Question—Have you any knowledge whether this money was advanced at the request of any member of the Government?

Answer—No; I think that I was the first person and only one, to ask Sir Hugh Allan to assist Mr. Beaubien.

Question—Have you any documents in your possession which would throw light on the subject of the enquiry before the Commission?

Answer—I don't see that I have. I was acting as Secretary of the Canada Pacific Railway, and the documents I have are documents regularly fyled.

A good deal of correspondence took place between the Canada Pacific Company and the Inter-Oceanic Company in 1872, which is in my possession as guardian. They may have some bearing on the accusation in relation to its first part as regards its connection with the Americans. But so far as the Pacific Railway Company is concerned, I deny most positively any such connection.

I have not got the said correspondence with me, but all the documents contained in it must be in the hands of the Government and have been laid before Parliament.

To Mr. Abbott through the Chairman.

I was Secretary of the Canada Pacific of which company Sir Hugh Allan was President, and under the instruction of the President and the Board, I published an advertisement in the newspapers in all the principal towns in the Dominion stating that stock books had been opened and any body who wished to subscribe could go to such places and do so. The public were invited to subscribe for whatever amounts they would desire to take in the stock of the Canada Pacific Company. That was during the summer of 1872. I was named Secretary in June. I attended to that business in July, 1872. These books were opened in the towns of the different Provinces of the Dominion. The advertisement was published and the books were sent by me, and they remained there for I think thirty days to enable any person desirous of subscribing in them to do so within the delay mentioned.

The books were returned to me with a certificate of the Agents, stating if Shares had been subscribed and to what amount.

The whole stock was thrown open to the public. There was no reservation of the stock. Sir Hugh Allan is President of the Montreal Northern Colonization Railway Company, and Mr. Louis Beaubien is its Vice-President; and I know that for two and a-half or three years they were very intimately connected in order to ensure the success of that railway; and it may be, so far as I know, in consequence or in consideration of the friendship existing and such relations between them—Mr. Beaubien and Sir Hugh—that Sir Hugh made this loan of money to help Mr. Beaubien in his election of 1872. When I asked the money

from Sir Hugh Allan, I did not in the least mention any interests of Sir Hugh Allan or Mr. Beaubien in the Pacific Railway. I only considered Sir Hugh as a friend of Mr. Beaubien, and I thought that, like some others of his friends, Sir Hugh Allan would help Mr. Beaubien in the election he had made and which was then completed.

I have no papers on this matter except those which came into my hands as Secretary, except a few letters that can have no bearing on this subject at all.

I have had no correspondence whatever with the Americans.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken before me on the fourth of September, and acknowledged on the ninth of September, one thousand eight hundred and seventy-three. } (Signed), E. LEF. DEBELLEFEUILLE.

(Signed), CHARLES DEWEY DAY,
Chairman.

" A. POLETTE,

" JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, } IN THE MATTER OF THE COMMISSION.
City of Ottawa. }

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. MR. HUNTINGTON in the House of Commons on the second day of April, A. D. 1873, relating to the Canadian Pacific Railway.

Present : THE COMMISSIONERS.

On this fifth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

VICTOR HUDON, ESQUIRE, of the City of Montreal, Merchant, who being duly sworn, deposeth and saith :

I know Sir Hugh Allan. I do not know Mr. McMullen.

I have no personal knowledge of any arrangement between Sir Hugh Allan and G. W. McMullen, having for object the construction of the Canadian Pacific Railway.

I took some interest in the elections in Montreal in 1872. I was one of the members of Sir George Cartier's Committee for Montreal East.

I am aware that there were sums of money subscribed to carry on that election. Ordinarily in elections we have a committee and friends who subscribe. I do not know the names of the persons who subscribed at this election. I heard that Sir Hugh Allan was to subscribe. I do not know how much he did subscribe. I know some of the members of the committee ; I think all of them subscribed something. A short time before the election I learned that Sir Hugh Allan had subscribed.

Sir Hugh Allan was not a member of the Committee. I do not know the amount subscribed by Sir Hugh Allan, nor by any other members of the Committee.

I have no knowlege of any one having subscribed $20,000 during the elections. I have not in my possession any letter or document bearing upon this enquiry.

I have knowledge of the subject of this inquiry only by what I have seen in the newspapers, I have no personal knowledge on the subject. I have stated all I know in reference to the sums of money subscribed for the elections.

And further the deponent saith not, and this, his deposition, having been read to him, he declares it contains the truth, persists therein, and hath signed.

Sworn, taken and acknowledged on the fifth of September, 1873,

(Signed) V. HUDON.

(Signed) CHARLES DEWEY DAY, *Chairman.*

" A. POLETTE,

" JAMES ROBERT GOWAN, *Commissioners*

PROVINCE OF ONTARIO, *City of Ottawa.*

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the HON. MR. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this sixth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

LOUIS BEAUBIEN, of the city of Montreal, a Member of the Honourable The House of Commons of Canada, who being duly sworn, deposeth and saith:

I am a member of the House of Commons. I am Vice-President of the Montreal Northern Colonization Railway. I hold no situation or directorship in the Canadian Pacific Railway. I have heard read the charges which the Commission has been appointed to enquire into.

I know Sir Hugh Allan, and have met Mr. McMullen.

Question—Are you aware of any agreement or negociation being made between Sir Hugh Allan and Mr. McMullen relating to the matter expressed in these charges?

Answer—I am not aware of any.

Question—Do you know of any agreement made by Sir Hugh Allan with Mr. McMullen acting for United States Capitalists to furnish funds necessary for the construction of the Pacific Railway.

Answer—No, I have no knowledge of any such transaction. I was one of the Provisional Directors of the Canada Pacific Company, but I only joined when these things are supposed to have taken place, and have no knowledge of them whatever.

Question—Was your connection with the Canada Pacific Railway Company subsequent to the period referred to and before the legislation of last Session.

Answer—My name was included among the Provisional Directors when that Company was incorporated, that was the first time I was connected with it.

The period I refer to was the Session before the last. I was not a member of the Dominion Parliament then.

Question—Are you aware of parties who were expected to take up the stock of the Canada Pacific Company?

Answer—No, I was not aware.

Question—Do you know whether any American Capiatlists were expected to furnish money for the purposes of the Railway.

Answer—No, I do not.

Question—Have you ever, or had you at that time seen any list made out by Sir Hugh Allan as to the distribution of stock?

Answer—No, I had not.

Question—Do I understand you to say positively that you know nothing at all relating to this matter expressed in the first clause of the charge which you have just heard read to you?

Answer—Nothing at all.

Question—I see your name signed to a memorandum of the Canada Pacific Railway Company, upon a statement submitted by the Inter-Oceanic Railway Company to the Government of Canada, along with the names of Sir Hugh Allan and J. J. C. Abbott. Were you a party to a memorandum of that kind?

Answer—I was. It is signed "Hugh Allan," "J. J. C. Abbott," "Louis Beaubien."

Question—Had you any knowledge of any negociations concerning the amalgamation of these two Companies?

Answer—All I know is what is contained in the Blue Book, entitled—"Charter for "the construction of the Pacific Railway, with papers and correspondence;" that is all the proposal that I ever heard was made.

Question—Did you take any personal part in any of the negociations?

Answer—I signed all these documents after being named by the Company on its committee, which was termed the Executive Committee.

Question—Do I understand you to say that you signed this document, and took an active part in the negociations which took place between the Canada Pacific Company and the Inter-Oceanic Company?

Answer—I took all the part referred to by these documents.

Question—Had you any interviews on the subject of the amalgamation?

Answer—No. I had none that I remember of.

Question—Have you any knowledge of the agreement or understanding described in the charge between the persons connected with the Railway and the Government?

Answer—None.

Question—Have you any knowledge of any money having been advanced by any persons connected with the Railway in Quebec, for the promotion of the elections?

Answer—I have reason to believe that Sir Hugh Allan advanced a certain amount of money to be used in the elections.

Question—What amount?

Answer—I cannot say.

Question—Was it a large sum?

Answer—I have no means whatever of judging.

Question—Do you know of any specific case in which money was advanced by Sir Hugh Allan, for the purpose of aiding the election of Ministers and their supporters, at the then ensuing elections?

Answer—Not Ministers. I may mention this fact, a friend of mine and a supporter

of the Government, sometime before the elections wanted me to get up subscriptions for his election, to a small amount. I went to Sir Hugh Allan and he consented to help that gentleman. The Government never knew of it, and the Government don't know of it now, at this present moment. As this was a private matter between Sir Hugh Allan and that gentleman—for I state under oath that the Government know nothing about it,—I would not like to give the name of the gentleman. The amount he received was one thousand dollars. The gentleman who advanced the money was Sir Hugh Allan.

In my own case Sir Hugh Allan was called upon by one of my friends about three weeks after my election. My election took place on the thirtieth of August, and the money I am going to mention was obtained about the middle of September. My friends called upon Sir Hugh Allan and told him that my expenses had been a little heavy and asked him to advance money to help me in paying back the expenses of the election which were borne by myself. He consented to do so. I received the money and gave him a receipt for it. In that receipt it is not stated that the Government would reimburse Sir Hugh for the amount of it. I could not find a copy of that receipt, but I saw it a month ago when it was mentioned in McMullen's letter. This morning I was taking it down as well as I could remember in my memorandum book. If there is any change in the wording of the receipt, I can swear it is not a material change.

The receipt is as follows:—

"Received from Sir Hugh Allan, the sum of seven thousand dollars, which I agree to repay him within one year, if he be not sooner re-imbursed along with other sums advanced by him in aid of the elections."

This note is due now. The amount of the note was obtained at the solicitation of my friend. The Government never knew of this arrangement at all.

I will correct this answer in so far as I have reason to believe that Sir Hugh Allan subscribed money to the Central Committee Fund of Montreal, and I was informed that Sir Hugh Allan stipulated that if necessary I would be helped out of the fund. I understood, also, that Sir George Etienne Cartier was opposed to any of the funds being used for that purpose, but I believe that gentlemen on the Committee notwithstanding this gave without Sir George's knowledge some money to my friends. I will state also that I know that Sir Hugh Allan helped two candidates who were believed to be friendly to the Administration. As the Government did not know that they were assisted, and as neither of them are members of the House, and it being a private matter between them and Sir Hugh, I did not think it necessary to mention it on Saturday in my deposition. I don't think it fair to these two gentlemen to bring their names before the public.

I don't know of any other sum advanced by Sir Hugh Allan or by any other person on his behalf. I could not say how much was subscribed for the Montreal elections, but I think there was a list passed round and subscriptions asked from different gentlemen.

I don't know anything further that took place, Sir George E. Cartier's Committee was rather against me, I was not on the Committee, but my opponent, Mr. Hudon, was President of it, which was sufficient to keep me off.

Question—Did you apply to Sir Hugh Allan yourself to aid you in the payment of your election expenses?

Answer—I suppose I must have said a word for myself at that time.

Question—Did you expect before or at the time of your election that this money was to be forthcoming from Sir Hugh Allan?

Answer—No, I expected to be elected by acclamation, and if it had not been for Sir George Cartier, I would have been elected by acclamation.

Question—Why did you apply to Sir Hugh Allan for this money instead of some other wealthy gentlemen?

Answer—Sir Hugh Allan was the person more likely than any body else.

Question—Had you been in particular relations or in business relation with Sir Hugh Allan.

Answer—I was considered as one of the most active parties in the Railway, and have

been a Director in it from the very beginning, and was one of those who assisted to induce Sir Hugh Allan to come into that company, and since then I have been in very close relations with him. When I speak above of the Railway, I mean the Montreal Northern Colonization Railway. Sir Hugh Allan is President of that road, and I have been Vice-President of it ever since the beginning.

To Sir John A. Macdonald.

Question—Was Mr. Victor Hudon the Government candidate for the County of Hochelaga?

Answer—If being Sir George Cartier's candidate was being the Government candidate, certainly he was the Government candidate. I don't say Sir George was opposed to my election at the latter end, but if Mr. Victor Hudon came forward at all, it was due to the encouragement that Sir George gave him, and I learned that Sir George Cartier advised his friends to vote for Mr. Hudon.

I know that the gentlemen in the office of Sir George Cartier voted for Mr. Hudon.

I made the application for the loan above referred to, to help me to pay the expenses of my election. I did not ask for this loan as a friend of the Government, but simply on account of Sir Hugh Allan being a friend of mine. It was Mr. E. L. De Bellefeuille that got the loan for me.

That sum had never been promised to me before, and I had never expected to get that loan.

Question—Had Sir George Cartier any knowledge or intimation that you were going to ask for that money before you got it?

Answer—No; I suppose when I got it he knew. I suppose Sir Hugh Allan likely told him afterwards, but Sir George may not have known anything about it.

And further, for the present, the deponent saith not.

And on this eighth day of September, 1873, the said witness re-appeared and made the following alterations and additions to the foregoing deposition, namely: I wish to remove the words in a former part of my deposition, "so I also went to different friends."

I have been reminded this morning that Mr. Victor Hudon was not President of Sir George E. Cartier's Election Committee, as stated by me in my deposition.

I gave the receipt referred to by me to Sir Hugh Allan. I gave it to him in the city of Montreal. I think it was in his own office.

In my evidence I stated that I saw the receipt about a month ago. I never saw the original of the receipt since I gave it. It was not the receipt that was signed that I kept, it was the *project* or draft which was not signed, as there were some corrections to be made in the draft. I made a copy of it and signed this copy and delivered it to Sir Hugh Allan. I have never seen the receipt I signed since I delivered it to Sir Hugh. I saw the draft that I kept the next day after Mr. McMullen's letter appeared in the papers. I think I can find it. The receipt was not written in Sir Hugh Allan's office. It was written in Mr. Abbott's office. It was written on ordinary foolscap paper. For all I can say, that document is in the possession of Sir Hugh Allan at present.

I consider that receipt to be a note. I think I can produce the drafts.

Question—You say that in this receipt which you have given from memory, "that unless the money was otherwise re-imbursed," what do you mean by these terms? from whom was it expected to be re-imbursed?

Answer—I have no means at all of knowing where he expected to be re-funded.

Question—In making use of this expression from what source did you think this re-imbursement to come?

Answer—I had no idea at all, and my opinion is that Sir Hugh Allan himself did not know where it would come from. Many a time he said that he did not know that he would be otherwise reimbursed Sir Hugh told me that all the money he was giving in support of the Elections he thought would be a dead loss to him. I suppose he expected to be re-imbursed from the profits of the enterprise.

Question—What meaning did you attach to the word "re-imbursed" in that respect?

Answer—I expected that the friends of the Government would subscribe and would help me.

Question—Was there any funds provided?

Answer—There was a general election fund that had been established.

I had not in my mind then any supposed arrangement between the Government and Sir Hugh Allan. I never knew of any arrangement whatever, and Sir Hugh Allan never told me that there was.

The Commission desires the witness to preserve the draft of the receipt referred to if he can find it, and enjoins him also in that event to forward it to the Commission.

I wish to strike out the following words from my foregoing deposition: "Many a time he said that he did not know that he would be otherwise reimbursed."—Sir Hugh told me several times that all the money he was giving in support of the elections he thought would be a dead loss to him.

And further deponent saith not, and this deposition having been read by him he declares that it contains the truth, persists therein and hath signed.

Sworn and taken in part on the sixth of September, 1873, and remainder taken, and the whole acknowledged before us this eighth day of September of said year.

(Signed), LOUIS BEAUBIEN.

(Signed), CHARLES DEWEY DAY, *Chairman.*

" A. POLETTE,

" JAMES ROBERT GOWAN, *Commissioners.*

PROVINCE OF ONTARIO, *City of Ottawa.*

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this sixth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

NORMAN WILLIAM BETHUNE of the city of Ottawa, Telegraph Manager, who being duly sworn, deposeth and saith:

I reside in Ottawa. I am a manager of the Montreal Telegraph Company.

Question—Have you in your possession the original of the Telegram dated at Toronto, August 26th, 1872, addressed to the Honorable J. J. C. Abbott, Ste. Annes, and signed John A. Macdonald?

Answer—I have not.

Question—Have you the original of a telegram dated Montreal, 26th August, 1872, directed to Sir John A. Macdonald at Toronto, and signed J. J. C. Abbott?

Answer—I have not.

Question—Have you in your possession any telegram signed by either of these parties, Sir John A. Macdonald, or Hon. J. J. C. Abbott, between the first of August and the end of that month?

Answer—None that I am aware of.

Question—Have you searched for anything of the kind?

Answer—I have not made search, but I caused the books of the Company to be examined by the clerks, and they found no messages between Sir John A. Macdonald and Sir Hugh Allan or Mr. J. J. C. Abbott, from the first to the thirty-first of August.

The Commissioners desire to have fuller information on the subject, and will require you to examine the books of the Company a month further back and a month afterwards, and would desire that you should examine them yourself, that you may be able to state under oath whether there are any such messages, and what they are.

Answer—All original messages previous to the first of August, 1872, are not now in existence, the rule of the company was that messages should be kept for one year and then destroyed. The present rule is that messages shall be kept for six months and then destroyed. I think it probable that none of those messages are now in existence, as it is the rule of the company to have them destroyed.

Question—In whose hands would messages be in Toronto and Montreal?

Answer—In Toronto they would be in Mr. Harvey P. Dwight's hands, in Montreal they would be in Mr. James Baker's hands. It is impossible to produce the originals of any telegrams passing through the Ottawa office anterior to the first August, 1872, but we have an entry of these telegrams in the books.

Question—Can you not examine the books a month previous to August and a month afterwards?

Answer—Certainly.

The books of the Company contain no copies of telegrams, but only a copy of the address and signature of parties.

And further for the present deponent saith not,

And on this eighth day of September, reappeared the said witness and continued his deposition as follows.

Question—Have you examined the books of the Telegraph Company in your office?

Answer—I have found it impossible to examine them in the period allotted to me. I find further by the books that Sir John A. Macdonald was absent from Ottawa for a large portion of the time named within which the telegrams referred to are said to have passed.

I have examined the books from 1st July up to 6th July, and for the whole month of September.

Question—Have the books been examined for the month of August?

Answer—They have been examined by my clerks, and I find that Sir John A. Macdonald was not in Ottawa during the month of August, and therefore no telegrams could have been left in the Ottawa office as being sent or received by him during that time.

Question—Have you any original telegrams in your office received during August or July, 1872, between Sir John A Macdonald and Mr. Abbott?

Answer—No; I have no such originals in my possession.

And further deponent saith not, and this his deposition being read to him he declares it contains the truth, persists therein, and hath signed.

Sworn and taken in part on the sixth day of September, 1873, and remainder taken on the eighth day of September, and the whole acknowledged on the ninth of September of said year.

(Signed), N. W. BETHUNE.

(Signed), CHARLES DEWEY DAY, *Chairman.*

" A. POLETTE,

" JAMES ROBERT GOWAN,

Commissioners.

PROVINCE OF ONTARIO, *City of Ottawa.* } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the HON. MR. HUNTINGTON in the House of Commons on the second day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On the sixth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

The HONORABLE DAVID L. MACPHERSON, of the City of Toronto, Senator, who being duly sworn, deposeth and saith:

I am acquainted with Sir Hugh Allan; I know Mr. McMullen only slightly. I have heard a portion of the Commission read embodying the charges which the Commissioners are enjoined to enquire into.

Question—Are you aware of any agreement or negociations having reference to the formation of a Company of the character of that mentioned in the extract which has just been read to you; if you have will you please to state your knowledge of it?

Answer—I have no personal knowledge of any agreement being concluded such as is described therein.

Question—Have you any knowledge of any such negociation?

Answer—Sir Hugh Allan told me himself in February, 1872, that he was negociating with Americans with the object of having them take an interest in the Canadian Pacific Railway. The date of this was towards the end of February, 1872. I received a letter dated 27th February, 1872, from Sir Hugh Allan, and replied on the 29th; these letters have been published, and perhaps the easiest way would be to refer to them. In a letter dated 8th July, 1873, and published, I give the substance of the conversation which Sir Hugh Allan had with me, and also the letters which passed afterwards between us.

The witness read a letter before the Commission embodying the evidence of his knowledge of the matters referred to in the extract of the charge which has been read to him. This letter contains a true statement of the facts therein declared. It is dated July 8th, 1873, and is as follows:

THE PACIFIC RAILWAY NEGOTIATIONS.

SENATOR MACPHERSON'S STATEMENT

To the Editor of the Mail.

SIR,—Sir Hugh Allan having admitted the genuineness of the letters published over his name in the *Globe* and Montreal *Herald* of Friday last, I ask the favor of space in your columns to correct misrepresentations affecting myself contained in some of these letters.

Sir Hugh Allan, in his letter to Mr. C. M. Smith, of Chicago, dated Toronto, 24th February, 1872, the day after his last interview with me, purporting to be a statement of what had passed between us, says:—"He (Mr. Macpherson) has been applied to by our opponents and uses that as a lever by which to obtain better terms from us. He insists on

getting $250,000 of stock, and threatens opposition if he does not get it." Every one of these allegations is absolutely without foundation.

I had not been "applied to by the opponents" of Sir Hugh and his American associates, and did not say that I had been.

I am not aware that they had opponents then, for the leading features of their scheme for constructing the Canadian Pacific Railway were unknown to the public.

So far from demanding $250,000, or any other amount of stock, I avoided the discussion of all details with Sir Hugh and confined myself in our conversation to pointing out what, in my opinion, were fundamental and insuperable objections to his project from a public point of view. And it will be seen from my letters to him, given below, that within a week of the date of these interviews I had refused to connect myself with him.

If I had not been restrained by other, I may say by higher, considerations from joining Sir Hugh Allan's combination, it is quite evident, from his correspondence now published, that he would not have allowed the question of "terms" to stand in the way of my doing so. Sir Hugh Allan, in his letter to Mr. McMullen, dated Montreal, 4th March, 1872, when advising his friend (Mr. McM.) that Mr. Brydges and myself had declined to join them because "their Company was too largely American, and that we wanted to see it in the hands of Canadians," proceeds to say: "They (Messrs. Macpherson and Brydges) tried to detach me from the Company we have formed and get me to join theirs, which of course, I declined." So far as I am concerned, this is entirely unfounded.

Mr. Brydges and I had formed no Company; I was not connected with one at that time, and I am not aware that one existed, or any association of persons intended to form one. I therefore could not have asked Sir Hugh Allan to join any company. There never was any concerted action between Mr. Brydges and myself in respect to the Canadian Pacific Railway. Neither of us knew that the other had been asked and had declined to join Sir Hugh Allan's combination until after these events. Acting in the belief that Sir Hugh desired and expected that the communications, oral and written, which took place between us in February, 1872, would be regarded as private, I have hitherto abstained from giving them publicity, although in doing so I may have laid myself open to much misconception as to my motives in declining, first, to connect myself with his American scheme, and then in opposing the amalgamation of the Inter-Oceanic and Canadian Pacific Railway Companies.

The version which Sir Hugh Allan has permitted himself to give in his published letters of what passed at our interviews, not only released me from any further obligation of silence, but imposes on me the duty of placing before the public the details I now furnish.

They consist of the following memoranda and letters:

1st. A memorandum of conversation between Sir Hugh Allan and myself in February, 1872 (prepared soon after these interviews.)

2nd. Letters from Sir Hugh to me dated 27th and 29th February, 1872.

3rd. My letter to Sir Hugh, dated 29th February, 1872.

4th. A memorandum of what passed between the Hon. J. J. C. Abbott, Sir Hugh Allan and myself, concerning the organization of an amalgamated company, prepared for the executive committee of the Inter-Oceanic Railway Company. The following are copies *in extenso* of these documents.

(COPY.)

1*st. Memorandum of conversation between Sir Hugh Allan and myself in February*, 1872.

In February, 1872, Sir Hugh Allan called upon me and proposed that I should join him in undertaking to construct the Canada Pacific Railway, for the subsidies to be granted by Parliament, and to allow my name to appear as one of the Provisional Directors, in an Act about to be applied for to incorporate the Canada Pacific Railway Company. I said that before I could consider the proposal to join him, I must have some general idea of his scheme for carrying out the enterprise. He informed me that he had it understood with the Government that the undertaking should be placed in his hands, and that he had secured the co-operation of parties in New York, of great wealth, who would subscribe the greater part

of the share capital which it was proposed to fix at $10,000,000. With the assistance of these American capitalists he had no doubt the enterprise could be carried to completion successfully. He said that he proposed to place the management in the hands of a Board of eleven Directors, of whom six, including the President, should be British subjects, resident in Canada, and five should be Americans, resident in the United States.

The Canadian members of the Board to be Sir Hugh Allan, the Hon. A. B. Foster, the Hon. J. J. C. Abbott (or the Hon. Thomas McGreevy,) Donald A. Smith, Donald McInnes and myself.

The American members to be, Messrs. J. G. Smith, G. W. Cass, William B. Ogden, of Chicago; T. A. Scott, of Philadelphia; and Jay Cooke, of New York; all Directors of the Northern Pacific Railroad Company—the two first named being the President and Vice-President of that Company.

I took exception to the proposed organisation of the Company, and remonstrated against giving our rivals the control and ownership of our Trans-Continental Railway, which could only be carried out with Canadian subsidies in money and land. I pointed out to Sir Hugh that the Americans he referred to would not invest money of their own in the enterprise; that apparently they had none to invest in such enterprises, for that they had obtained from Europe all, or almost all, the capital employed so far, in constructing the Northern Pacific Railway; that if they were allowed to hold the major part of the stock, as he proposed, they would be complete masters of the Canadian Pacific Railway; and that this would enable them to subordinate its traffic arrangements to their interests in the United States, that it would give them control of the settlement of the large territory to be granted to the Company in our North West, and, that they might, and possibly would, so manage its settlement as to imperil the very peace of Canada. Sir Hugh dissented from all these opinions, and in expressing surprise that I should entertain such narrow views, said that he took a cosmopolitan view of the question, that in stipulating that a majority of the directory should be British subjects, resident in Canada, he had sufficiently guarded Canadian interests. He added that he was unable to state precisely how the stock (10,000,000) would be apportioned; that that was then being determined in New York; that he expected to be fully advised on his return to Montreal, and would communicate the information to me. I objected also to the composition of the Canadian Board, as proposed by Sir Hugh Allan, and urged that it did not fairly or sufficiently represent the various Provinces of the Dominion.

I said that Mr. McInnes and myself would not be sufficient representation from Ontario, and that there was no representative from British Columbia, the Province of all others most interested in the railway. Sir Hugh said that he considered the Board as proposed a good one, and that if British Columbia were represented, the Maritime Provinces would also expect to be represented.

I replied that I thought they ought to be represented; that the undertaking was a Dominion one in the broadest sense; that all the Provinces should have the opportunity of taking an interest in the company, and of being represented at the Board; that I was quite certain Parliament would not assent to, or the country tolerate any scheme which would place the Canadian Pacific Railway and its subsidies in the hands of foreigners and rivals. After Sir Hugh's return to Montreal, I received the following letters:—

[*Copy.*]

MONTREAL, 27th Feb., 1872.

MY DEAR SIR,—The papers which have come from New York indicate the amount of stock allotted to me as $1,450,000. This I propose to divide in something like the following shares:—

Hon. D. L. Macpherson	$100,000
Hon. A. B. Foster	100,000
Hon. J. J. C. Abbott	100,000
Donald A. Smith	100,000
Donald McInnes	50,000
Andrew Allan	100,000
John Shedden	50,000
C. S. Gzowski	50,000
George Brown	50,000
Henry Nathan	100,000
C. J. Brydges	100,000
T. McGreevy	50,000
H. Allan	500,000
	$1,450,000

This may not be the ultimate arrangement, as I have not yet even proposed the matter to some of the gentlemen, but, if I can arrange it there will not be much change. Please advise me at once if you consent that your name shall appear as one of the Provisional Directors, as I must send in the list to the Government without delay.

Yours truly,

(Signed) HUGH ALLAN.

The Hon. D. L. Macpherson.

The information in this letter is for yourself alone.

[*Copy.*]

MONTREAL, 29th Feb., 1872.

To Hon. D. L. Macpherson, Toronto.

MY DEAR SIR,—Since writing to you I am informed that the Hon. George Brown will not be a shareholder at present and I propose to name Mr. Howland in his place.

Yours truly,

(Signed) HUGH ALLAN.

(*Copy 3rd.*)

MONTREAL, 29th Feb., 1872.

DEAR SIR HUGH,—I have to thank you for your letter of 27th inst., informing me that there had been alloted to you in New York, shares in the Canada Pacific Railway, for Canadians, to the amount of $1,450,000, and mentioning how you propose to divide the same. Since you asked me to allow my name to appear in the Charter as one of the provisional Directors, I have carefully considered your scheme and have become convinced that Parliament will not assent to it in its present shape, or to any scheme which, like it, would place our great Transcontinental Railway forever under the absolute control of our rivals, our American neighbours. This would be effected by giving to them as you do, seventeen twentieths of the whole stock of the Company. Why should this be done? Canada must give the means in money and land to build the Railway. Why should we hand over the control and ownership of the line with all its incalculable advantages, direct and indirect, during construction and forever, to foreigners? Such an arrangement is not indispensible to the building of the road, and nothing short of this in my opinion, would justify it.

"Second only in importance to obtaining the railway, is the securing the control of it with all its benefits to our own people.

"We have in Canada men of sufficient ability to carry out this great undertaking successfully, whose character and means would be ample guarantee to the Government and the country for the fulfilment of their engagements. Money would have to be obtained from abroad, but the securities would be Canadian and the negotiations should be directed by Canadians.

"The assistance of English and foreign financial agents would be necessary, and for their services they would have to be paid; but they should have no interests rival or antagonistic to the Canada Pacific Railway. I should be quite willing that they and their clients should have an interest in the road, but not a controlling one.

"The position of the Canadian Directors under your proposed organization of the Company would be uncomfortable and anomalous, at least so it appears to me. They would sit at the Board in virtue of being Canadians, but merely as the nominees and the mere agents—of foreign shareholders.

"The interests of these shareholders might conflict with the interests of Canada, possibly very soon. Then, if the directors stood by their country, I apprehend they would be required to surrender their seats at the first ensuing election for more subservient men.

"Holding these views, which I expressed to you when you first offered me a directorship, and they have strengthened with reflection, and not seeing my way to occupying a seat at the Board with that feeling of independence so essential to usefulness as a director of any undertaking, especially one of the magnitude of the Canada Pacific Railway, it is my duty to decline the office. I deem it right to give you my reasons therefor frankly and freely. Thanking you for inviting my co-operation,

I remain, &c.,

(Signed), D. L. MACPHERSON.

Sir Hugh Allan, Knight, &c., Montreal.

(Copy.)

4. Memorandum—Early in July, 1872, I casually met the Hon. J. J. C. Abbott, of Montreal, at the Queen's Hotel here, and had some conversation with him respecting the amalgamation of the Inter-oceanic and Canada Pacific Railway Companies.

We both understood the Government wished the two Companies to amalgamate, and it was also understood that the Government favored a Directory of thirteen members (the same number as the Cabinet), of whom I, as President of the Interoceanic Company should name five from Ontario; Sir Hugh as President of the Canada Pacific Company, four from Quebec, and the Government four—one for each of the other Provinces. Mr. Abbott said that four was too small a number to enable them to obtain an adequate representation of nationalities and localities from the Province of Quebec; that they required six, and would like the numbers to be for Ontario and Quebec seven and six. I replied that as between Ontario and Quebec the proportion of five to four was much less than Ontario was entitled to, while seven to six would make the disproportion still greater. Finally I said, that if amalgamation would be entertained by the Interoceanic Company and if all the other details were satisfactorily settled, it was possible the Interoceanic Company would not break off negociations upon the point as to whether the number of Directors named by each Company respectively should be five and four, or seven and six.

I stated very early in our conversation that there would be feeling of unwillingness on the part of the Interoceanic Company to enter into amalgamation at all, many of us doubting whether the objects of the two Companies were the same, ours being to make the Company ultimately organized essentially Canadian, while we feared Sir Hugh Allan and his associates still clung to their old alliance with gentlemen interested in the Northern Pacific Railway on conditions that would place the Canada Pacific Railway in their hands and under their control. Mr. Abbott assured me that this was not the case.

I replied that it was a point on which it would be difficult to satisfy the Interoceanic Company.

Mr. Abbott then referred to the Presidency of an amalgamated Company, and inquired if I would agree to Sir Hugh Allan being appointed to that office.

In reply I stated distinctly that I would not, that while I did not; arrogate any claim myself to the Presidency, I should not concede or waive any in favour of Sir Hugh Allan; that if amalgamation should take place the new Provisional Board should be left free to elect their President, and that it was not for Sir Hugh Allan and myself to arrange in advance who should be President.

Mr. Abbott was not satisfied with this, and referred to it again on the following day, remarking that unless the Presidency were promised to Sir Hugh he was afraid no amalgamation would take place.

In the course of the following week when at Montreal on private business, I, in compliance with a written request from Sir Hugh Allan, called at his office. He at once referred to the Pacific Railway, and said he understood from Mr. Abbott that the only points of amalgamation on which he (Mr. Abbott) and I differed were the number of Directors to be named by each Company and the question of the Presidency.

I replied that these were the only points we had discussed. That I had said to Mr. Abbott, speaking for myself only, that if all the other details of amalgamation were settled satisfactorily, I thought the Interoceanic Company might be induced to consider the necessities of the other company so far as to make the number of Directors to be named by each of us respectively seven and six.

That with respect to the Presidency I had told Mr. Abbott that if amalgamation took place the choice should be left to the directors, and asked Sir Hugh if he did not think that that would be the proper way.

He replied that he could not say that such was his opinion.

It might be inferred from what Sir Hugh says in his affidavit published on Saturday last of Mr. Abbott's interviews with me, that we had been for days closely engaged in discussing terms of amalgamation for the companies, and generally maturing a scheme for the construction of the Pacific Railway. We had but two brief interviews, and the only subjects discussed were those mentioned in the above memorandum.

My reasons for declining to assist Sir Hugh Allan to carry out what I then regarded, and still regard, as most prejudicial to Canada—I might almost be justified in saying a conspiracy against Canada—are contained in my letter to him quoted above. My reasons for opposing the amalgamation of the two companies are set forth in the memoranda addressed to the Government by the Interoceanic Railway Company, published in the Toronto *Globe* in July last, and submitted by the Government to both Houses of Parliament.

A complete statement of my negociations with Sir Hugh Allan with a view to the construction of our great Interoceanic Railway is now before the people of Canada, to whose judgment the course which I pursued is unreservedly submitted.

I *am*, sir,

Your obedient servant, &c.,

D. L. MACPHERSON.

Toronto, 8th July, 1873.

In Sir Hugh Allan's letter, dated 27th July, 1872, he advised me that the papers he expected to receive from New York, had been received by him, indicating the amount of Stock allotted to him to be $1,450,000, that being, as I understood, the proportion of the whole amount of $10,000,000, which had been allotted to Canada, and he intimated in that letter how he proposed to divide that amount, namely $1,450,000, among Canadians.

Question—Have you got in your possession the list which he gave you, giving the names of those among whom this amount of Stock was to be divided?

Answer—His letter to me containing the list has been published. I thought I had his original letter with me, but I find I have it not. It is embodied in my published letter, of the 8th July, and is dated 27th February, 1872.

My reply to Sir Hugh Allan, dated 29th February, 1872, and referring to his letter, the contents of which I have just described, is embodied in Exhibit "E."

I am not personally aware, that Mr. McMullen acted for certain United States capitalists, but understood that he did.

Sir Hugh Allan's letter to me, indicates that three-twentieths of the whole stock had been assigned to Canada, and the remaining seventeen-twentieths were to be divided among capitalists in the United States. This was in February, 1872, before there was any legislation whatever, but in anticipation of the ensuing Session.

I have no knowledge except what is stated in Sir Hugh Allan's letter, and know nothing about the certain per centage of interest, that is stated in the charge I heard read, which Sir Hugh Allan was to receive.

Question—Is it in conformity with your knowledge that Sir Hugh Allan was to be at the head of the proposed Railway company?

Answer—Nothing was said at that time by Sir Hugh Allan about his being at the head of the company, that point was not raised in Sir Hugh Allan's conversation with me then, no personal matters or details were then discussed.

Question—Have you knowledge whether the Government were aware that these negotiations were pending between Sir Hugh Allan and the Americans?

Answer—I had not an absolute personal knowledge, but I understood that the Government were aware of it, and Sir Hugh Allan himself stated to me, that the Government were aware of it. The knowledge which I had in respect to this matter, was obtained from Sir Hugh Allan.

Question—In reference to the following portion of the charge, viz: " that subsequently an "understanding was come to, between the Government, Sir Hugh Allan, and Mr. Abbott, "one of the members of the Honorable House of Government of Canada, that Sir Hugh Allan "and his friends should advance a large sum of money for the purpose of aiding the elections "of Ministers, and their supporters at the ensuing General Elections, and that he and his "friends should receive the contract for the construction of the Railway." Have you any knowledge relating to that subject?

Answer—I have no knowledge relating to that subject.

Question—Do you mean to say that you know of no understanding between the Government and Sir Hugh Allan and Mr. Abbott, relating to Sir Hugh Allan's support in the elections?

Answer—No I have no knowledge of any arrangements between the Government and Sir Hugh Allan and Mr. Abbott, that Sir Hugh was to furnish money for the elections. I have no personal knowledge that the giving of the contract to Sir Hugh Allan depended on his furnishing money for the elections.

Question—There was an offer made to you of some of the stock in this contemplated company, was there not?

Answer—In Sir Hugh Allan's letter of 27th February. 1872, my name is put down in the list with others for $100,000, but I was no party to that. Nothing of the kind was discussed between Sir Hugh Allan and myself everything he alleges connected with that is utterly unfounded. I stipulated for nothing and I was offered nothing. I at no time negociated in any way for the insertion of my name as a subscriber of any stock in this company. I state this most positively.

Question—Did you give Sir Hugh Allan at any time to believe that you felt disposed in any way to become a party to such an arrangement?

Answer—No; I took exception to his scheme when he first explained it to me, and in reply to Sir Hugh Allan's letter of 27th February, 1872, advising the allotment of Stock in New York of the Canada Pacific Company, I, by return mail, declined to have anything to do with his scheme.

Question—You were, I believe, President of the Inter-Oceanic Railway Company, were you not?

Answer—I was.

Question—I see in the printed pamphlet marked "Charter for the construction of the

Pacific Railway," which was given to Parliament, your name subscribed to a report of a meeting of the Provisional Directors of the Inter-Oceanic Railway Company of Canada, dated 26th September, 1872; was that an application to the Government for the contract for that company?

Answer—It was informing the Government, that the Company was prepared to treat with the Government, and was organized.

That was long after Sir Hugh Allan's application to me; at the time Sir Hugh Allan had negociations with me, there was no Company in existence. Had it not been for my objections to Sir Hugh Allan's scheme, and my desire in the interests of the country, to frustrate that scheme, I probably would not have appeared in connection with the Canadian Pacific Railway at all. It was only after I found that Sir Hugh Allan would not abandon his American associates, that I proposed to certain gentlemen in Toronto, and elsewhere, to apply for a charter and to be prepared to do whatever might seem best when the time for action arrived. The gentlemen to whom I addressed myself, agreed in opinion with me, and we petitioned for an Act, incorporating the Inter-Oceanic Company.

Question—Was this Inter-Oceanic Company, formed with a view of defeating the original scheme, with the American Capitalists?

Answer—Yes.

Question—Were there any negociations between the Inter-Oceanic Company and the Canada Pacific Company with respect to amalgamation afterwards?

Answer—There was sometime afterwards.

Question—Why was that negociation unsuccessful?

Answer—Because the Inter-Oceanic Company did not believe that the Canada Pacific Company had abandoned their American connections. It is quite true that the Committee of the Canada Pacific Company assured the Government that they never had any communication with Americans. The Inter-Oceanic Company, however, looked upon Sir Hugh Allan as really the Canada Pacific Company, and they had reason to believe that the American gentlemen with whom Sir Hugh had been in negociation, still expected that the understanding which he had with them would be fulfilled, and for that reason the Inter-Oceanic Company declined to amalgamate with the Canada Pacific Company.

In the second memorandum of the Executive Committee of the Inter-Oceanic Railway Company, addressed to the Government, they stated "that they deem it their duty to state "to the Government, that in their opinion the admitted negociations of Sir Hugh Allan "with gentlemen in the United States, resulting in an arrangement or understanding which "is considered opposed to Canadian interests, and which the undersigned from information "in their possession, and referred to above, have reason to believe is still substantially "existing, will continue to cause the Canadian people to view with suspicion and prevent their "subscribing stock in any company in which Sir Hugh Allan and his associates appear "controlling parties." I give these reasons from the memorandum of the reasons on account of which the Inter-Oceanic Company declined to amalgamate.

Question—Was there any other reason than Sir Hugh Allan's associations with Americans which induced the Inter-Oceanic Company to oppose the Canada Pacific Railway Company?

Answer—I think not, except the reasons which are given in the memoranda contained in the blue book referred to, endorsed "Charter for the construction of the Pacific Railway with "papers and correspondence."

Question—Can you state your grounds for believing in the fact that Sir Hugh Allan was associated with American capitalists?

Answer—I had a statement from himself in the conversation which I had with him at an early period that his associates were American Capitalists.

Question—Had you any statement from him at a later period?

Answer—No, I had a conversation with Mr. Abbott, and he assured me that they had dropped the American connection. I told him it would be very difficult to satisfy the Inter-Oceanic Company on the subject.

I have no knowledge at all relating to the elections in Montreal.

Question—Do you remember any other matter which might be of use in this enquiry?

Answer—The only additional matter that took place at all between the Canada Pacific Company and myself was the conversation I have referred to with Mr. Abbott, and what took place then I have also published. It was expressing his desire that an amalgamation would take place. Mr. Abbott I believe was one of the Provisional Directors of the Canada Pacific Company but is not a Director of the present Canadian Pacific Railway Company. He is Counsel I believe of the Company now chartered. This conversation took place before the Company was chartered; that is before the Royal Charter was issued.

Subsequent to the issuing of the Charter, I had no conversation with Sir Hugh Allan.

In 1872, two Acts of Incorporation were granted, one to the Canada Pacific Company and the other to the Inter-Oceanic Company. It was these two Companies which it was proposed to amalgamate, that is the Canada Pacific Company, which Sir Hugh Allan wished to amalgamate with the Inter-Oceanic Company.

I had this conversation with Mr. Abbott I think in July, 1872. In that conversation he urged upon me the desirability of amalgamation, and also asked me if, in the event of the subject being discussed, and favourably considered, would I consent to Sir Hugh Allan's being President. We also spoke of the number of Directors. The only matter at all personal to Sir Hugh Allan and myself was the question of the Presidency. Mr. Abbott wished that I would consent to the office being filled by Sir Hugh Allan. I told him I would not assent to it in advance, but I set up no claim to the office myself. I thought it should be left to the free choice of the Directors if amalgamation should take place.

Question—Had you any interview with the Government or any member thereof with relation to this amalgamation?

Answer—No personal interview—I had a conversation—or probably two or three conversations—with Sir John A. Macdonald, on the subject, in which he urged the importance of amalgamation, putting it on the ground that it was desirable to unite as much as possible the influence and financial strength of the country, but nothing beyond this general expression of opinion. I objected on the ground stated in the minutes of the Inter-Oceanic Company, and because I felt quite certain that Sir Hugh Allan continued in association with the Americans, and that this would be fatal to the enterprise in his hands, and that if the Inter-Oceanic Company, joined with the Canada Pacific, it would be involved in failure and disgrace, and I did not wish either the Inter-Oceanic Company or myself to be involved in these.

To Sir John A. Macdonald.

I include the whole of my published letter, dated 8th July, 1873, in my deposition. In this letter there is contained a memorandum of the conversation which took place in July, 1872, with Mr. Abbott; it is substantially correct.

Question—When was the last occasion on which you had any communication with myself on the subject of the amalgamation.

Answer—I think it was in November last at Toronto.

Sir John A. Macdonald pressed strongly for the amalgamation of the two companies at that time. I dissented on pretty much the same grounds as those assigned in the memorandum of the Inter-Oceanic Company, addressed to the Government.

The printed copy of the letter above referred to, of the 8th of July, 1873, and which is marked "E," contains a full and true statement of all the matters to which it relates.

And further deponent saith not, and this his deposition having been read to him he declares that it contains the truth, persists, therein and hath signed.

Sworn and taken on the sixth day of September, 1873, and acknowledged before us this eighth day of September, of said year.

(Signed) D. L. MACPHERSON.

[Signed] CHARLES DEWEY DAY,
Chairman.

" A. POLETTE,

" JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa. } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. MR. HUNTINGTON in the House of Commons on the second day of April, A.D., 1872, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this eighth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

THE HONOURABLE JEAN LOUIS BEAUDRY, of the city of Montreal, one of the Members of the Legislative Council, who being duly sworn, deposeth and saith:

I was a Provisional Director of the Canada Pacific Railway Company, incorporated in 1872.

I have no knowledge of an agreement between Sir Hugh Allan and G. W. McMullen, acting for certain American Capitalists, for the construction of the contemplated Pacific Railway to have funds from capitalists of the United States. I have no knowledge whatever of any negociations or correspondence having taken place with reference to the tters stated above.

I have no knowledge of an understanding between the Government, Sir Hugh Allan and Honourable J. J. C. Abbott that Sir Hugh Allan and his friends should advance money for the purpose of aiding the election of Ministers and their supporters at the ensuing general elections, and that he and his friends should receive the contract for the construction of the Railway in consideration of such subscriptions. From the short duration of the connection I had with the enterprise of the Pacific Railway, I had no means of knowing, and know nothing of these correspondence. I have no other knowledge except of what I have stated that took place at the meeting of the Board. Nothing took place then that had any respect to the correspondence or negociations with Americans.

The question as to what source the means for the construction of the Pacific Railway were to be derived was not discussed at the meetings which I attended.

I have no personal knowledge whatever that these funds were to be expected from American Capitalists.

I took an active part in the elections of Montreal East in 1872, I was on Sir George Cartier's Committee.

When I attended the Committee for the first time there had already been some organization made, and at the meeting which I attended they asked me to preside over the meeting, it was about the commencement of August, 1872. I was told by some of the members of the Committee that they had a list of subscriptions for the object of defraying the expenses of the election.

I did not see the list of subscription myself, but at a certain period of the canvassing I was asked by some of the members of the Committee to go to Mr. Abbott, and I went to Mr. Abbott with two other gentlemen, and then signed a receipt for $20,000 to Mr. Abbott. I did not see the money myself. The receipt was signed in Mr. Abbott's office in his presence —it was left with Mr. Abbott. I was given to understand that Sir Hugh Allan was a

subscriber to the election funds: the expressions made use of in the receipt the signed by me are the only conditions that I am aware of. The Honourable H. Starnes and Mr. Murphy signed the receipt with me.

The only receipt which I signed in connection with these gentlemen is the one above referred to. I have not seen this receipt since. I have no personal knowledge of that receipt having passed from Mr. Abbott's hands except what I have seen in the newspapers. I am not aware, personally, of any other sums given by Sir Hugh Allan. That receipt refers to the letters of Sir George E. Cartier, dated 30th July and 24th August, 1872. I had not seen those letters when I signed the receipt; but subsequently, the letter of the 30th of July was shewn to me. It was in the hands of a gentleman who wanted me to state if the article which had appeared the day previous in the *Gazette* was correct as to the nature of the letter. That gentleman was Mr. Murphy. I did write a letter in conjunction with Mr. Starnes and Mr. Murphy. I think this letter was handed to the Editor of the Montreal *Gazette*. The letter which the Chairman read to me just now is the letter which I signed, and the contents of it are true. I have taken communication of a printed copy of the letter referred to, in the following terms:

Extract from the "MONTREAL GAZETTE," *July 23rd*, 1873.

THE PACIFIC RAILWAY SCANDAL.

To the Editor of the Gazette.

SIR,—Seeing your Editorial of yesterday in which reference is made to a letter from Sir George E. Cartier, to Sir Hugh Allan, dated 30th July last, which letter is referred to in the letter of Sir George E. Cartier, of date 24th August, published by Mr. McMullen, we feel bound to state that we have seen the first mentioned letter, and that your editorial statement that it has no reference, whatever, to the Pacific Railway Company, or to the Pacific Railway contract, is perfectly correct.

(Signed), J. L. BEAUDRY,
" H. STARNES,
" P. S. MURPHY.

July 22nd, 1873.

I declare the statement contained in that letter to be true, and I make it a part of my deposition. I don't know, personally, of any other sum of money subscribed for the Montreal elections, for I did not go round with the list; but I have heard there was—I was told by some members of the Committee that there was a list of subscription. I don't know what amount was subscribed, and I do not know either what amount Sir Hugh Allan has subscribed. There was a large sum of money paid to the different Election Committees. I was in the General Committee, and there were sub-committees in every Ward. I had nothing to do with the distribution of the money or with paying the accounts. Considerable sums of money were paid to these sub-committees. Some of the sums of money paid were drawn from the Metropolitan Bank by cheques. I am not aware of what kind of receipts was given for these sums of money. I believe these $20,000 were paid on account of Sir George E. Cartier's letter of the 24th August. When I signed that receipt I thought that Sir Hugh Allan was a subscriber, and it is the only inference which I can draw from the wording of the receipt. I had no knowledge whatever of any conditions except what is contained in the receipt.

I have no knowledge of any other subscription, except that some friends told me they had subscribed.

The receipt was signed and left with Mr. Abbott, and I did not see the money. I did not see the cheque for the drawing of the $20,000 from the Bank.

And further the deponent saith not, and this his deposition having been read by him, he declares it contains the truth, persists therein, and hath signed.

Sworn, taken and acknowledged on this eighth day of September, one thousand eight hundred and seventy-three.

(Signed), J. L. BEAUDRY,

(Signed), CHARLES DEWEY DAY, *Chairman.*

" A. POLETTE,

" JAMES ROBERT GOWAN, *Commissioners,*

PROVINCE OF ONTARIO, *City of Ottawa.*

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to require into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this eighth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

PETER S. MURPHY, of the City of Montreal, Merchant, who being duly sworn, deposeth and saith:

I am a resident of Montreal.

Question—Have you any knowledge relating to an agreement between Sir Hugh Allan and Mr. G. W. McMullen, representing certain American capitalists, for the building of the Canada Pacific Railway with American funds?

Answer—I have not.

Question—Have you had any paaticular connection with the original Company?

Answer—None at all.

My connection was with the Montreal Northern Colonization Railway Company.

Question—Had you any knowledge previous to the passing of the Act of incorporation of the Canada Pacific Railway Company as to any negotiations that were going on?

Answer—No. I don't know Mr. McMullen by sight.

Question—Had you any knowledge of the understanding, subsequent to that period, between Sir Hugh Allan, or Mr. Abbott, and the Government, that Sir Hugh Allan and his friends, should advance a large sum of money for the purpose of aiding the elections of Ministers and their supporters at the then ensuing general election, namely, that of 1872. And that he and his friends should receive the contract for the construction of the Pacific Railway; were you aware of any such agreement with the Government or with any member of the Government. Have you any knowledge on this subject whatsoever?

Answer—I have no such knowledge whatsoever.

Question—Had you any communication with Sir Hugh Allan, or with the Government, that would have enabled you to know?

Answer—I had not. I know nothing except what I saw in the papers.

Question—You were interested in the elections of 1872, and took an active part in them, did you not?

Answer—I did. I was a member of Sir George Cartier's General Election Committee for the Eastern division of Montreal.

Question—Do you know of money having been furnished for the carrying on of the elections there, or in any other part of the City?

Answer—Yes. There was a large subscription list passed round, and several gentlemen subscribed. The largest amount subscribed was that by Sir Hugh Allan. Hon. Mr. Starnes stated the other day that it was seventy thousand dollars. My impression is that it did not exceed sixty-five thousand dollars; that is the gross amount of all the subscriptions.

Question—Do you know of any portion, and if so what portion was subscribed by Sir Hugh Allan?

Answer—His first subscription was ten thousand dollars. I was one of those who signed the receipt for it.

The next sum was for ten thousand dollars more I think, but I am not sure. It was for at least ten thousand more.

Then there was the last or third subscription, or at least it is the only other one of which I have any knowledge. It was for twenty thousand dollars more. I signed the receipt for it.

Question—Is the name "P. S. Murphy," which I see appended to the printed receipt for $20,000, yours?

Answer—Yes. Mr. Betournay's name was also on the receipt for the $20,000 I believe, This receipt is signed "J. L. Beaudry," "Henry Starnes," "P. S. Murphy," "L. Betournay."

Ours was the Central Committee.

Question—Do you know in whose hands the original of the receipt for the $20,000 now is?

Answer—The receipt was given to Mr. Abbott. I was present when it was given, and saw the $20,000 paid. The money was deposited in the Metropolitan Bank.

Question—Have you any reason to suppose that this receipt has passed out of Mr. Abbott's hands?

Answer—No; I have not seen it since. I think it ought to be either in his or Sir Hugh Allan's hands.

Question—Do you know whether that money was paid in consequence of any letter from Sir George Cartier?

Answer—The money was paid in accordance with Sir George Cartier's letter of the 24th August, 1872, and upon the conditions contained in his letter of the 30th July, 1872.

I saw Sir George's letter of the 30th July. I saw it in Sir Hugh Allan's hands at the time, and I saw it a month ago in Mr. Abbott's hands.

It was a little more than a year ago that I saw it with Sir Hugh Allan.

Question—You published a letter in conjunction with Mr. Beaudry and Mr. Starnes, in relation to this letter of Sir George Cartier's of the 30th of July, did you not?

Answer—Yes.

Question—Who has the original of that letter?

Answer—It was sent to the GAZETTE.

Question—Will you take communication of that letter now and state to the Commission whether the allegations contained in it are true?

Answer—The copy now shown to me is a true copy of the original and contains the truth.

Question—You state in this letter that Sir George Cartier's letter of the 30th of July, has no reference to the Pacific Railway Company or to the Pacific Railway Contract, do you not?

Answer—I do. The statement in relation to this matter, published in the GAZETTE, is perfectly correct.

Question—Having seen this letter of the 30th July, what statement are you prepared to make upon it?

Answer—The same statement as is contained in that letter. I state positively that the contents of that letter are true. I examined Sir George Cartier's letter of the 30th July, and it had no reference whatever to the Pacific Railway Company or to the Pacific Railway contract.

Question—Were there any other sums than those which you have mentioned subscribed for the promotion of the elections?

Answer—There were. I was a subscriber myself, and there were several other subscribers among whom was Sir Hugh Allan who was the largest subscriber. The aggregate amount was about $65,000.

We had Committees in all the Wards and the expenses were very great, but the money was not all spent in the Eastern Division. A large portion was spent in elections elsewhere.

I suppose we were robbed as is general in elections. It was a condition of Sir Hugh Allan's subscription that the expenses of Mr. Beaubien's election should be paid out of the fund if there was a contest. And if we had had a surplus the expenses of Mr. Beaubien would have been paid, but we were short, and, therefore, it was not done, and that is the reason why Mr. Beaubien's note remains unpaid.

Question—Did the examination of that letter, which was shown to you, by Sir Hugh Allan, purporting to be from Sir George Cartier, leave the impression on your mind which found expression in that letter?

Answer—Yes.

Question—Do you know anything of any telegrams, which passed on the subject of these advances between Sir John A. Macdonald, and Mr. Abbott?

Answer—I saw them in the papers only, and know nothing more about them

Question—Was there any application to the Committee for the $7,000 which was given to Mr. Beaubien?

Answer—No, I believe not.

And further deponent saith not, and this his deposition having been read by him he declares that it contains the truth, persists therein and hath signed.

Sworn, taken and acknowledged on the day, month and year first above written, } (Signed), P. S. MURPHY.

(Signed), CHARLES DEWEY DAY,
Chairman.

" A. POLETTE,

" JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, *City of Ottawa.* } IN THE MATTER OF THE COMMISSION.

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this ninth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

JAMES DAKERS, of the City of Montreal, who being duly sworn, deposeth and saith:

I reside in the City of Montreal.

My occupation there is Secretary and General Manager of the Montreal Telegraph Company.

I know Sir Hugh Allan.

I don't know Mr. McMullen. I never saw him.

Question—Have you any knowledge of any negociation or agreement between Sir Hugh Allan and G. W. McMullen, in relation to the building of the Canada Pacific Railway?

Answer—None whatever.

Question—Do you mean to say that you have no kind of knowledge relating to that matter at all?

Answer—Nothing except what has appeared in the public newspapers.

Question—Have you any knowledge of any arrangement or understanding between the Government and Sir Hugh Allan for the furnishing of money for the elections in Montreal in 1872?

Answer—None whatever except what has appeared in the papers.

Question—Were you in a position to know anything on this subject to which I refer from your office occupation?

Answer—Nothing further than from the messages which passed through our office, but I do not see one out of a hundred perhaps, except there is something of importance brought under my notice. I don't see one tenth of the communications that pass through the office, and of course I had no means of knowing otherwise.

Question—Have you any knowledge that money was furnished by Sir Hugh Allan for the elections?

Answer—None whatever, except what appeared in the public prints.

Question—Have you in your possession any telegrams which passed through your office, between Sir John A. Macdonald and Sir Hugh Allan, or the Honourable Mr. Abbott, in the month of August, 1872, referring to the elections, or furnishing money for them?

Answer—None; the messages of August, 1872, are all destroyed.

Question—Are you able to state whether a message signed John A. Macdonald, dated 25th of August, 1872, and directed to Honorable J. J. C. Abbott, Ste. Annes, and marked "immediate, private," in these words, "I must have another $10,000. Don't fail me—last time of calling," ever passed through your office?

Answer—I never saw a message of that kind as having passed through our office. There was no such message that I know of, of the 25th August.

Question—Have you any knowledge whether a message purporting to be sent from J. J. C. Abbott to Sir John A. Macdonald, directed to him at Toronto, and dated Montreal 26th August, 1872, in these words,—"Draw on me for $10,000," ever passed through your office?

Answer.—No; I have no recollection of having seen such a message, nor do I know that such a message ever passed over the line.

Question.—Could these messages have passed through your office without your being aware of it?

Answer.—Yes.

Question.—Are you positive that all the messages of that date, that is the original telegrams of that date, which have passed through your office have been destroyed?

Answer.—Yes, I am positive they have been destroyed—and up to the 1st of January, 1873, they have all been destroyed?

Question,—Is there anything in the books of the Telegraph Office in Montreal that would enable you to state if messages in the terms I have referred to ever did pass through office?

Answer—Under date the 26th of August, the signature and address taken from a message from Hon. J. J. C. Abbott to Sir John A. Macdonald, appears on our books, but what were the contents of this message I know not.

Question—Is that the only message which is entered in your books, as passing between the same parties?

Answer—There is another address and signature of a message having passed from Sir John A. Macdonald to the Hon. Mr. Abbott, and which appears on our books on the 24th of August, 1872.

Question—Have you any means which would enable you to state to the Commission, what the contents of these telegrams were?

Answer—No means whatever.

Question—Are you enabled to state by what particular operator in your office they were sent?

Answer—I could not tell through what operator they were sent, and I don't think that any operator who received them, would be able to tell the contents of them at this distance of time.

Question—Why are all the orginal telegrams destroyed?

Answer—For want of room is one cause, and another cause is that we don't want, eighteen months, a year, or six months after, to have our operators dragged up to Court and kept there for a whole day. This is a standing order of the office.

To Sir John A. Macdonald through the Chairman:

Question—How long has this regulation existed as to the destruction of the telegrams?

Answer...The regulation for the destruction of them has been in existence for a long period. The regulation for the destruction of them after six months has been in force since January last.

One cause for this new regulation is that there is very little room in which to keep these telegrams.

This regulation had no connection with the telegrams that passed relative to the elections in 1872.

The recommendation for this six months regulation was made by myself, and had nothing whatever to do with the elections. It was made before there was anything known of this Pacific Railway matter at all.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn, taken and acknowledged on the day month and year first above written, before, us } (Signed), JAMES DAKERS.

(Signed), CHARLES DEWEY DAY,
Chairman.

" A. POLETTE,

" JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, *City of Ottawa.*

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. MR. HUNTINGTON in the House of Commons on the second day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this ninth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

CHARLES JOSEPH COURSOL, of the city of Montreal, who being duly sworn, deposeth and saith:

I reside in Montreal, my office is Judge of Sessions of the Peace for the Province of Quebec, and Commissioner of Police for the Dominion. I have held that office for several years.

Question—Did you hold any other office in 1872?

Answer—I held the office of Mayor of the city of Montreal. I know Sir Hugh Allan. I saw Mr. McMullen once or twice in Montreal.

Question—Have you any knowledge of any agreement or negociation between Sir Hugh Allan and Mr. G. W. McMullen in relation to the construction of the Pacific Railway?

Answer—None whatever.

Question—Have you never known anything of that matter?

Answer—I have never known anything of the kind.

Question.—Have you any knowledge of any understanding between the Government, or any member of the Government and Sir Hugh Allan through the Hon. Mr. Abbott or otherwise, relating to the furnishing of funds by them for the promotion of the elections of 1872 in Montreal?

Answer.—None whatever; nor is it likely I should have had either. I hope not.

Question.—From your office would you have been likely to have known anything about that?

Answer.—No, not through my office.

Question.—Have you any knowledge of Sir Hugh Allan's having furnished any funds for the elections of 1872?

Answer.—No knowledge whatever.

Question.—Do you know of any subscription having been raised for the promotion of Sir George E. Cartier's election?

Answer.—I heard that there had been a subscription raised for him. I know in one case there was a subscription raised; but I know of no subscription except one, which does not exceed, I believe, two or three hundred dollars. It was given by one of Sir George Cartier's friends.

Question.—Do you mean to say that you know nothing whatever of the subject of this enquiry?

Answer—Nothing whatever, I was not a member of any Committee, and did not even vote at the elections, and took no part in them whatever. I know nothing at all of the subject matter of this enquiry, except what I have read in the newspapers.

Question—Are you aware for what reason your name was put upon the list of witnesses of Mr. Huntington for examination here?

Answer—I am not aware, I saw my name on Mr. Huntington's list when it was published during the last session of Parliament. I met Mr. Huntington yesterday in the street and I asked him if he knew why my name was put on there. I said to him that if he had any questions he wished put by the chairman, I would suggest them to the chairman, in order that they might be put to me, and that I might state under oath anything I might know in regard to them. Mr. Huntington then told me that my name had been put there on his list, as it had been suggested to him by somebody during the Session of Parliament, but he did not know or remember what evidence I had to give.

And further deponeth saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn, taken and acknowledged on the day, month and year, first above written, before us.

(Signed,) CHS. J. COURSOL,

(Signed,) CHARLES DEWEY DAY,
Chairman.

" A. POLETTE,

" JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, *City of Ottawa.*

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. MR. HUNTINGTON in the House of Commons on the second day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this ninth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

CHARLES A. LEBLANC of the city of Montreal, Sheriff, who being duly sworn, deposeth and saith:

I am Sheriff of the District of Montreal, and have been so for nine months.

I know Sir Hugh Allan, I do not know Mr. G. W. McMullen.

Question—Have you knowledge of any agreement or negociation between these gentlemen relating to the construction of the Pacific Railway, at any time?

Answer—I have not had at any time.

Question—You positively state that you have no such knowledge?

Answer—I state so positively.

Question—Are you aware of any understanding between Sir Hugh Allan and Mr. Abbott with the Government, that Sir Hugh Allan and his friends should advance money for the promotion of the general election in 1872, and particularly the election of Ministers and their supporters?

Answer—I have no knowledge of any such understanding.

Question—Do you know whether any individual member of the Government had any such understanding with these gentlemen?

Answer—I do not know. That is a matter of which I have no knowledge whatever. I never had any conversation with Sir Hugh Allan or any other person with respect to the elections.

Question—You were not Sheriff at the time these elections were going on were you?

Answer—No, I was not.

Question—Were you a member of Sir George E. Cartier's Central Election Committee?

Answer—Yes; I became a member of it about eight days after it was formed. I heard that Sir George Cartier requested that I should be there: so I went, but I had no time to be there during the day, and I only went when I saw that Sir George wanted me to go. I took an active part in the working of the Committee, particularly at night, as I had no time in the day time.

Question—Was there any money furnished for the purpose of promoting the elections?

Answer—There was undoubtedly by the friends of Sir George Cartier.

Question—Do you know what amount was subscribed for the purpose?

Answer—No, I never enquired, only I asked one or two members if they had enough of money. They said that they thought so for the elections in Montreal.

Question.—Do you know by whom the money was subscribed?

Answer.—I have not seen the list. I know that I subscribed myself, as I always did, for Sir George Cartier's elections, but I never had anything to do with the money. I always put any money I collected for the election purposes, in the hands of the Cashier. Personally I do not know that Sir Hugh Allan subscribed anything to Sir George Cartier's election. I heard that he did.

Question.—Have you any knowledge of the receipt that was given for $20,000 that was signed by Mr. Murphy, Mr. Beaudry, Mr. Betournay and Mr. Starnes; do you know if it was received from Sir Hugh Allan from the hands of Mr. Abbott?

Answer.—I know nothing of it except what I have learnt from the newspapers. I was very much surprised to see it at the time it was published in the papers.

Question.—Then are you prepared to say that you have no knowledge of any sum having been subscribed by Sir Hugh Allan except what you have derived through the newspapers?

Answer.—Nothing more.

Question.—Do you know anything about the manner in which this money was expended?

Answer—I know it was generally expended for the elections. I have not seen the amount.

There were only two or three little accounts that I was personally liable for. There may have been some of that money spent for the elections in the country, but I don't know of it personally.

And further for the present, deponent saith not.

And on this tenth day of September, 1873, re-appeared the said witness and made the following addition to his foregoing deposition: When I said that I knew nothing about the contract for the Pacific Railway, I meant to say that I knew nothing about the contract between Sir Hugh Allan and Mr. McMullen, but I now remember that in two instances in the month of June, 1872, Sir George Cartier said, with those energetic words that he generally used, something about the Pacific Railway Company, and that he would never as long as he would be in the Ministry, consent to any American Company having the contract for building the Pacific Railway. That there were enough of Canadian companies who were able to do the work, and that he would resign his place in the Ministry if the contract was given to any such company; and he added, that he hoped his friends would see that the two companies, meaning that of Sir Hugh Allan and that of Mr. Macpherson, would be amalgamated, and that they would be able to carry the whole matter through without any trouble.

Question—You say that on two occasions, in the month of June, Sir George Cartier made these remarks you have alluded to. Do you remember when the first conversation occurred?

Answer—His first conversation was when I was on a deputation with three other gentlemen.

Question—Where?

Answer—In the Government Buildings at his office.

Question—Who was present on that occasion?

Answer—The Hon. J. L. Beaudry, Mr. Victor Hudon, and Mr. C. S. Rodier, jun., and the Hon. Mr. Chapleau. I cannot say whether they heard these words or not.

Question—In what capacity were they present and for what purpose?

Answer—We came to see, as he was our representative in the East Division, what were his views on the Pacific Railway.

Question—Was it in answer to such an appeal that these observations were made?

Answer—We had a memorial to present to him which was in writing. We left it with him, and then we had a conversation; but I don't know whether the other gentlemen heard what Sir George said for he spoke to me particularly.

Question—Was any formal reply given to that memorial?

Answer—Not that I know of. We all went into the office together. I think it was then about one o'clock. The memorial was read in my presence and Sir George answered to it, and said that as our representative we had a right to put to him any question we liked, but as a minister, he could not say anything, but that the interests of Lower Canada would not be overlooked.

Question—Will you give a circumstantial account of what passed on this first occasion?

Answer—I think we have a copy, perhaps, of that memorial. We wanted to know what he thought of the Pacific Railway. I as one of the Directors of the Montreal Northern Colonizatian Railway, wanted especially to know what he thought about the Pacific, and if an amalgamation could be effected with the Northern Colonization Railway, so as to have the terminus of the Pacific Railway in Montreal.

Question—At what time in the course of the interviews were these remarks made by Sir George Cartier?

Answer—It was just at the time that we were going to leave his office.

Question—Was it said to you only?

Answer—He did not appear to be speaking to me in confidence at all, it was said openly.

Question—Do you remember if any other gentleman was near at the time?

Answer—I cannot remember.

Question—Can you separate the two occasions, so as to state what was said on the first and what was said on the second occasion?

Answer—It was about the same expression that he used on both occasions.

Question—On the first occasion what was it that Sir George said?

Answer—To the best of my opinion it was the very words that I have put into my foregoing deposition.

Question—What do you mean by "those energetic words" you refer to. Give as near as possible the very words he addressed to you when speaking of the Pacific Railway?

Answer—The words he used were as near as I can remember as follows:

"*Aussi longtemps que je vivrai et que je serai dans le Ministère, jamais une sacrée "Compagnie Américaine aura le control du Pacifique, et je résignerai ma place de Ministre "plutôt que d'y consentir.*"

Question—Were these words said on the first occasion?

Answer—I am sure that he made use of them twice, and moreover, I think another time at his own house. He said these words I am sure on the first occasion. He said there were enough of Canadian Companies able to do the work, and that he would resign his place in the Ministry if the contract was given to the Americans.

Question—Did he say on the first occasion that he hoped that his friends would see that the two Companies would be amalgamated, meaning that of Sir Hugh Allan, and that of Mr. Macpherson, and that the whole matter would be carried through without trouble?

Answer—Yes. It was said on leaving the door of his office; we had a second interview with him on 24th June, 1872, when we left him in Ottawa, he wanted us to meet him in Montreal, and we did so on the date I have just mentioned, there were present on this occasion, the gentlemen whom I have spoken of, namely:—The Hon. J. S. Beaudry, Victor Hudon, C. S. Rodier, jun., the Hon. Mr. Chapleau. There were a few others present who had nothing to do with our interview.

Question—Did you still continue in your representative character with him as a prolongation of the first interview?

Answer—Yes it was a prolongation of the first meeting, and it was absolutely the same words that were used as in the first instance.

Question.—Did he enter more fully into the matter then?

Answer.—No he did not go more fully into it, with the exception that he again repeated those words in the presence of all the people who were there, and told us we might ask him any question that we liked, in his capacity as our representative, as to what he thought on railway matters, but any question put to him as a Minister, he could not answer. As we were at the time preparing for the election, he said he did not want us to bring the matter before the public in connection with the railway scheme, but on his own merits. He said he thought that he had done enough for his country and for the party he represented, and that he ought to be elected on his own merits.

I told him we would do the best we could.

Question.—Did Sir George speak in French or English?

Answer.—He spoke on both occasions in French. The gentlemen present were all French Canadians.

Question.—On this last occasion, of the 24th June, did you say that Sir George spoke openly in the hearing of all?

Answer.—Yes; but as to the first occasion I am not quite sure whether the other gentlemen present heard what he said.

Question.—Were you on such intimate terms with Sir George that would have induced him to speak more particularly to you than to the others?

Answer—I suppose I was the most intimate with him. I was one of his most intimate friends in Montreal—I mean outside of politics. Ever since we were at College we have been personal friends. I may add that he placed great confidence in me at many times.

Question—You mentioned that there was another occasion on which Sir George spoke to you personally on this subject; was it in the same spirit?

Answer—Yes. This was after the 24th June.

It was at his own place at Long Point. I was down there, as his nomination was to take place the next day, and he wanted to see me, and we had a very long conversation that afternoon. He repeated those very words to me, that it was not necessary to look to foreign companies to build the Pacific Railway, as we had men in the country who could do the work, and he added that we should try to have an amalgamation made between the two companies—that of Sir Hugh Allan and that of Mr. Macpherson—and also said that he could not say as to what the Government would do.

To Sir John A. Macdonald, through the Chairman:

Question—When was the nomination of Sir George Cartier?

Answer—It was on the 19th August, 1872.

The election took place on 28th August, 1872.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken in part on the ninth day of September, 1873, and remainder taken, and the whole acknowledged on this eleventh of the same month and year.

(Signed,) C. A. LEBLANC.

(Signed,) CHARLES DEWEY DAY,
Chairman.

" A. POLETTE,

" JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, *City of Ottawa.* } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. MR. HUNTINGTON in the House of Commons on the second day of April, A. D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this ninth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

JEAN BAPTISTE BEAUDRY, ESQUIRE, of the city of Montreal, who being duly sworn deposeth and saith:

I reside at Montreal.

I know Sir Hugh Allan, but I do not know Mr. McMullen.

I have no knowledge of an arrangement between Sir Hugh Allan and certain American capitalists to procure funds for the construction of the Canadian Pacific Railway.

I was not one of the Provisional Directors of the Canada Pacific Railway.

I have no knowledge of an understanding between Sir Hugh Allan and Mr. Abbott, and the Government, that Sir Hugh Allan should advance moneys for the election of Ministers and their friends. I was not a member of any Committee for the election of Sir George Cartier in 1872. I know nothing of moneys furnished for that election beyond what I have seen in the newspapers.

I am not aware that Sir Hugh Allan advanced any sum of money for these elections; I could not know it as I was not a member of any Committee.

I cannot say why my name was placed on the list of witnesses.

I know absolutely nothing of this affair.

I heard from no one why my name had been placed on the list of witnesses, and I was much surprised when I found it had been so placed.

And further deponent saith not, and this, his deposition having been read by him he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken, and acknowledged on the ninth of September, eighteen hundred and seventy-three. } (Signed), JEAN BAPTISTE BEAUDRY.

(Signed), CHARLES DEWEY DAY, *Chairman.*

" A. POLETTE,

" JAMES ROBERT GOWAN, *Commissioners.*

PROVINCE OF ONTARIO, }
City of Ottawa. } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this Ninth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

JACKSON RAE, of the city of Montreal, who being duly sworn, deposeth and saith.

I reside in Montreal. My occupation there is General Manager of the Merchants' Bank of Canada.

Question—Who is President of that Bank?

Answer—Sir Hugh Allan.

Question—Are you connected with Sir Hugh Allan otherwise than in business by any family relations?

Answer—None whatever.

Question—Do you know Mr. G. W. McMullen?

Answer—I never saw him, and I never heard of him till the recent correspondence appeared in the newspapers.

Question—Have you any knowledge of any negociation or agreement or correspondence between Sir Hugh Allan or any other person in relation to the constructian of the Pacific Railway, which took place in 1872?

Answer—None whatever.

Question—Would your relations with Sir Hugh Allan been likely to have enabled you to have known something of this matter?

Answer—Not necessarily so.

Question—No facts connected with that negociation came to your knowledge?

Answer—Nothing ever came under my knowledge connected with any negociations carried on by Sir Hugh Allan in connection with the Pacific Railway. Nothing whatever.

Question—Have you a knowledge of any undertaking by Sir Hugh Allan, or by Mr. Abbott to furnish funds for promoting the elections in Montreal in 1872?

Answer—I have no personal knowledge.

Question—Have you any reason to believe that any such arrangement was made?

Answer—Nothing further than mere rumor.

Question—Did you take any part in the elections in Montreal in 1872?

Answer—I did not.

Question—Are you aware if any sum of money was raised for the purpose of aiding in these elections?

Answer—I am not, further than from mere rumor. I had no personal knowledge of it.

Question—Do you know whether Sir Hugh Allan ever subscribed any money or furnished any sum of money for that purpose?

Answer—I have only heard such reports.

Question—You have not heard that from him?

Answer—No he has not told me.

Question—Have you any knowledge which would induce you to believe that those rumours were true?

Answer—My belief is that the rumors were true, that he did subscribe money.

Question—Would you give the grounds of your belief, if you please?

Answer—Simply from casual remarks of his own, made sometimes to other people in my hearing.

Question—Have you any idea of the amount which he furnished?

Answer—I have not.

Question—Were any cheques drawn upon his account which would indicate the amount?

Answer—I never saw any. They would not necessarily come under my notice in any way, if such existed.

Question—Would the fact of payment of money for that purpose, be apparent on Sir Hugh Allan's account in the bank?

Answer—Not upon the account itself. Whether the vouchers or cheques drawn would show it or not, I am unable to state without a personal examination.

Question—You mean to say then that you have no knowledge that would enable you to state what amount was subscribed by Sir Hugh Allan?

Answer—I have not.

Question—Do you know to whom the money was paid?

Answer—I do not.

Question—Have you any knowledge whatever of the application of any money, or the mode in which money given in aid of the elections was expended by the Central Committee?

Answer—Not the most remote. I know nothing whatever about it.

Question—Do you know anything of this printed receipt which has been published in the newspapers, signed by Mr. Murphy, Mr. Starnes, Mr. Beaudry, and Mr. Betournay, purporting to be a receipt for $20,000, received from Sir Hugh Allan?

Answer—I have seen it in the newspapers. That is the only place I have seen it or heard of it.

Question—These telegrams of Sir John A. Macdonald to Mr. Abbott, and from Mr. Abbott, to Sir John A. Macdonald, have you ever seen them elsewhere than in the newspapers?

Answer—Never.

Question—Has Sir Hugh Allan got more than one account in the Bank; has he a private account different from his business account?

Answer—His general business account is under the name of H. & A. Allan. He has a private account besides, but only one.

Question—Is the condition of that account passed under your view like all other accounts in the Bank?

Answer—It is.

Question—Did you observe at the time of the election of any large Cheques passing?

Answer—Sir Hugh Allan's account is a very large and active one at all times, and I did not notice at the time of the elections anything remarkable about the cheques.

Question—Is there any connection between your Bank and the Metropolitan Bank?

Answer—There is none whatever.

Question—Is there any account that would show exchanges between the two Banks, do you exchange from time to time notes?

Answer—We do exchange notes and cheques every day. The Banks all exchange every day.

Question—Is there any account that would show the particulars of the exchange each day?

Answer—We can see only the figures. The names of the drawers of cheques do not appear.

To Sir John A Macdonald through the Chairman.

My connection with Sir Hugh Allan is altogether through the Bank. I am not his

political nor his Railway Agent. I was not consulted as to his subscriptions to elections nor as to his arrangements about building Railways.

And further deponent saith not, and this his deposition having been read to him he declares that it contains the truth, persists therein, and hath signed.

Sworn taken and acknowledged before us, on the day, month, and year, first above written. } (Signed) JACKSON RAE.

(Signed), CHARLES DEWEY DAY, *Chairman.*

" A. POLETTE,

" JAMES ROBERT GOWAN, *Commissioner.*

PROVINCE OF ONTARIO, *City of Ottawa.* } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. MR. HUNTINGTON in the House of Commons on the second day of April, A. D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this eleventh day of September in the year of our Lord one thousand eight hundred and seventy-three, personally came an appeared before us, the above named Commissioners,

THE HONORABLE JOSEPH OCTAVE BEAUBIEN, of St. Thomas, in the Province of Quebec, who being duly sworn, deposeth and saith:

Question—Where is your place of residence?

Answer—St. Thomas, in the Province of Quebec.

Question—Were you formerly, and are you now, a member of the Legislative Council of Quebec?

Yes, and I am now.

I held the office of Commissioner of Crown Lands in the Province of Quebec.

I know Sir Hugh Allan, I don't know Mr. G. W. McMullen.

Question—Are you aware of any agreement or negociations between Sir Hugh Allan and Mr. G. W. McMullen, or any other person, in relation to the construction of the Pacific Railway with funds to be furnished by American Capitalists?

Answer—None whatever.

Question—Do you know anything about any negociation or agreement between those gentlemen in 1872, before the Act of Incorporation was passed relating to the Pacific Railway?

Answer—No sir.

Question—Had you any relations with those gentlemen that would enable you to know?

Answer—No; I had no relations with Sir Hugh Allan, before I became a Director of the Canadian Pacific Railway.

Question—In relation to the Canada Pacific Railway, the first one which was incorporated, had you any relations with Sir Hugh Allan which would have enabled you to know of any such agreement or negociations?

Answer—No; I had no conversation with any members of the Government of the Dominion before that. The first knowledge with respect to the Pacific Railway, was when the company was formed last winter and the Canadian Pacific Railway Company was chartered.

I was appointed Director of that Company. I was nominated by the present Dominion Government.

Question—Since you have been connected with the Canadian Pacific Company, have you ever had any conversation with any of the Ministers, or any other persons which would enable you to say whether there was such a negociation as I have alluded to?

Answer—No, none whatever. I never had any conversation whatever.

Question—Do you know Sir Hugh Allan?

Answer—Yes.

Question—Do you know of any arrangement or understanding, between him and the Government, or any member of the Government, in relation to the furnishing of funds for the promotion of the elections of Ministers, and their supporters?

Answer—No.

Question—Do you reside below Quebec?

Answer—Yes.

Question—How far from Montreal?

Answer—It must be sixty leagues—one hundred and eighty miles.

Question—Have you ever had any communication with any of the Ministers or with any person as to the furnishing of funds for the support of the elections in Montreal in 1872?

Answer—No, I don't know anything about it. I never received any money from Sir Hugh Allan, or any person acting as the agent or in the interest of Sir Hugh Allan.

Question—Were any moneys received from Montreal by subscriptions for the support of Ministers in your neighborhood?

Answer—Not that I know of.

Question—Do you mean to say that you had no manner of communication, or means of knowing how the money was furnished for the promotion of these elections?

Answer—No. I never came near those men when this affair is said to have been transacted.

Question—Do you know for what reason your name was put upon the list of witnesses?

Answer—I do not.

Question—Have you any knowledge by which you can account for your name being there?

Answer—They may have thought that I was acting in the elections in the interests of the Government or Ministers; but there are no grounds for that, for about the time of the election, I ran myself for the County of Montmagny, which I had represented for a long time, and I never saw during that time Sir Hugh Allan or any one of the Ministers.

Question—Are you a Member of the Dominion Parliament?

Answer—No, not now. I was defeated for the Dominion Parliament.

Question—You are understood to be a Government supporter?

Answer—Yes.

To Sir John A. Macdonald through the Chairman:

Question—Were you asked by the Ministry to become a Director?

Answer—Yes.

Question—By what Minister were you asked?

Answer.—By Mr. Langevin.

I reside in the District of Quebec.

Question.—Were you not selected as a representative of the District of Quebec interest as against the Montreal interest?

Answer.—It was considered so at the time that I represented the Quebec District.

Question by the Chairman.—How long have you been a member of the Legislative Council, and in public life?

Answer.—Seventeen years, I think.

I was Commissioner of Crown Lands up to last April. At the time I was appointed

on the Board of Directors, I held that office and was a member of the Quebec Government.

And further deponent saith not, and this his deposition having been read to him he declares that it contains the truth, persists therein and hath signed.

Sworn and taken on the eleventh of September, 1873, and acknowledged on the twelfth of September of said year. } (Signed) J. O. BEAUBIEN.

(Signed), CHARLES DEWEY DAY, *Chairman.*

" A. POLETTE,

" JAMES ROBERT GOWAN, *Commissioners.*

PROVINCE OF ONTARIO, *City of Ottawa.* } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this eleventh day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

REVEREND DANIEL McMULLEN, of Picton, Province of Ontario, who being duly sworn, deposeth and saith:

Question—You are a clergyman, Mr. McMullen, are you not?
Answer—Yes.
Question—Of what denomination?
Answer—Methodist.
Question—Is your residence at Picton?
Answer—Yes.
Question—Do you know Mr. George McMullen?
Answer—Yes.
Question—In what relation do you stand to him?
Answer—He is my son.
Question—Do you know Sir Hugh Allan?
Answer—No. I never saw him to my knowledge.
Question—Have you any knowledge of a negociation in which Mr. G. W. McMullen your son was engaged, in relation to the building of the Pacific Railway?
Answer—I have some knowledge, the most of which I may say I have gathered from what has been published in the press.
Question—Have you any other knowledge of a personal character, in regard to this matter, which has come under your personal notice?
Answer—None that I am aware of.

I may remark for the information of the Commission, that in the absence of my sons I have a heavy burden of domestic care on my hands in the position which I have occupied for a great many years. I have always had great confidence in the ability of my son to manage any business which he understood. I have never sought information from him unless it was under very pressing circumstances, and then it was done chiefly to relieve myself of the burden and care which at this time of life I was not prepared to bear.

Question—Has your son been in communication with you in respect to this matter?

Answer—No; I know nothing beyond what I have read in the public press.

He has always been very remarkable since early boyhood in business matters, and was always close and he seldom disclosed any business transaction to the members of my own family.

Question—Has he been in the habit of communicating or consulting with you?

Answer—Not in matters of that kind.

Question—Has he communicated to you anything in connection with the construction of the Pacific Railway?

Answer—I have no recollection of any communication of that kind except at the period at which it was decided and settled that the Government would exclude the American element from the Company, and that the gentlemen for whom he was acting would have no share in the building of the Railway, and supposing that he had spent a very large portion of his time, and that heavy expenses had been connected with it, which he was not well able to lose, and that money had been expended through him on behalf of the persons for whom he was acting, I felt some anxiety lest he might incur some censure for want of energy and fidelity in dealing with the interests of others. I therefore took the liberty—the only time that I think I did make any enquiry into his business matters—of asking him what arrangement was likely to be made for indemnifying himself, and especially the parties for whom he had been acting, so that he would not be exposed to any censure. He assured me that he was fully persuaded and was then in process by which the parties for whom he had acted would be indemnified for the time and expenses he had incurred. I believe that was the only question that I asked him.

Question—How did you become aware of the expenditure of money by him?

Answer—I became aware of it by supposition; I supposed that he would incur expense in dealing with this matter, but I have no recollection of him telling me that he did. I enquired of him in order to relieve my own mind, but it is very little I know intimately or accurately, respecting the whole affair, except what I have gathered from what has been published in the public prints.

Question—Did he communicate to you any correspondence during the time that it was going on or hold any communication with you on the subject of it?

Answer—I don't recollect that he described any of his correspondence, and I did not ask for any as I thought it would be interfering, and that perhaps he would feel reluctant to communicate to me anything on the subject, and I was therefore a good deal cautious on that ground.

It might naturally be thought that I would be intimately acquainted with those matters, but I am not for various reasons, especially those that I have stated. I had enough else to burden my mind and employ my thoughts and attention, and I studiously endeavored to avoid inducing him to communicate anything to me on the subject.

Question—You never saw any of the originals of this correspondence, did you?

Answer—No.

Question—Can you account, Mr. McMullen, for your name being included in the list of witnesses; are you in possession of any knowledge that would account for it to your own mind?

Answer—The only reason that I am aware of is the close of the speech made by Mr. Huntington at the prorogation. I read it, but I could not give it in detail.

But he made the remark there, assigning his reason for placing my name on the list of witnesses.

Question—Can you recollect what that reason was in general terms?

Answer—I think he expressed some fear, or suggested to the Committee that perhaps my son might absent himself when called upon to give testimony, and he thought it would

be better to secure some member of the family—his father or some of his brothers—that is the only reason that I am aware of.

I am not aware of the reason assigned by the Commission by whom I have been summoned to appear. If there is, I have not seen it. I inferred that the reason mentioned by Mr. Huntington had influenced them.

Question—Is there any other Daniel McMullen?

Answer—I have a son who bears my name that has been some eight or nine years in Parliament. His name is Daniel Y. I have but one name. His name is Daniel Yure McMullen. He resides in Chicago.

I am a minister of the Wesleyan Methodist Church. I am not in possession of a regular charge. The state of my health obliges me to hold a retired position.

My son, Daniel Y. McMullen, is now in attendance here. It happened that at the time I was summoned to appear here he had come on a visit home to his friends, and he came with me.

I am a stranger in Ottawa. I have resided sixty odd years in Canada, since 1811. I am intimately acquainted with the Western part of the Province, but this is my first visit to Ottawa.

To Sir John A. Macdonald, through the Chairman:

Question—Do you know where your son, George W. McMullen, is now?

Answer—He is in Chicago; he is there now. He went there some three or four weeks ago. He had been in Pictou before that.

Question—Is his residence in Pictou or Chicago?

Answer—His residence and domicile is in Chicago.

Question—How long was he in Pictou before he went to Chicago?

Answer—Three or four weeks; I could not tell to the day.

And further deponent saith not, and this his deposition being read to him he declares it contains the truth, persists therein, and hath signed.

Sworn and taken on the eleventh day of September, 1873, and acknowledged on the twelfth of said month and year.

(Signed), D. McMULLEN.

(Signed), CHARLES DEWEY DAY,
Chairman.

" A. POLETTE,

" JAMES ROBERT GOWAN,
Commissioners

PROVINCE OF ONTARIO, }
City of Ottawa. } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. MR. HUNTINGTON in the House of Commons on the second day of April, A. D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this eleventh day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

DANIEL Y. McMULLEN, of the City of Chicago, who being duly sworn, depos and saith:

Question—Are you the son of the last witness Daniel McMullen?
Answer—Yes.
Question—Are you a brother of George W. McMullen?
Answer—Yes.
I reside in Chicago.
Question—What business are you engaged in there?
Answer—Banking.
Question—Are you alone or in co-partnership with any person?
Answer—My brothers and myself are together.
Question—Do you know Sir Hugh Allan?
Answer—No.
Question—Have you any knowledge of an agreement or negociation in which your brother was engaged in 1871, in relation to the construction of the Pacific Railway.
Answer—Yes.
Question—What is the nature of your knowledge concerning this agreement, is it a personal knoweldge or simply derived from what others have told you?
Answer—It is both.
Question—Will you state what personal knowledge you have of it?
Answer—I saw the original contract between the American parties and Sir Hugh Allan. I also saw and read quite a large number of Sir Hugh Allan's letters, and I saw nearly all of the documentary evidence that he has or had, that is all the personal knowledge I have; that is the documentary evidence. I saw the original contract that was signed, I believe in New York. The personal knowledge is all documentary, that is with parties directly interested.
Question—Can you specify any letters which you saw from Sir Hugh Allan?
Answer—I could not specify any of them so that you would understand what I mean except the first letter that he wrote from Montreal. I cannot specify them by date. They were dated along from some time in the fall of 1871 up to the fall of 1872. They date from the beginning of the negociation in 1871 previous to the elections till about the first session of this Parliament.
Question—Do you know Sir Hugh Allan's handwriting?
Answer—I think I would know it. I have no positive knowledge that the signature I saw was his, but the letters came signed Hugh Allan. Part of letters were addressed to C. M. Smith of Chicago, and part were addressed to my brother.

Question—Do you know in whose possession those letters are now that you speak of?

Answer—The only knowledge that I have as to the place of them is from newspaper reports.

Question—Do you know whether they are or are not in your brothers possession?

Answer—They are not in his possession.

Question—Do you know how he disposed of them?

Answer—I only know what he told me. I have no personal knowledge as to how he disposed of them. I can only tell you what he said he did with them.

Question—What did he say he did with them?

Answer—He said they constituted the package in Mr. Starnes' hands in Montreal.

Question—Did he say that all the letters he had were in that package?

Answer—All of the principal were there he said.

Question—What means have you of knowing Sir Hugh Allan's handwriting?

Answer—No means at all, only that I know that my brother addressed letters to him, and that letters came back signed Hugh Allan, addressed to my brother.

Question—How do you know that your brother wrote to Sir Hugh Allan?

Answer—I have seen letters written by my brother addressed to him.

Question—Did you ever see the parcel which your brother said he gave into Mr. Starnes' hands?

Answer—No.

Question—Can you designate any particular letters which you believe to be from Sir Hugh Allan, besides the one you have mentioned as the first one?

Answer—By dates?

Question—In any way they can be identified.

Answer—There were several important letters; in one of which he gave a rough sketch of the sums of money he had expended; and one of the last letters my brother received was in regard to the exclusion of the American element from the Company; and there was another letter, I don't know whether it was in the package or not, giving the amount of stock to be placed in the different parts of Canada.

Question—What was the subject matter of the first letter to which you allude?

Answer—The first letter that I ever saw from Sir Hugh Allan was addressed to C. M. Smith. It merely stated that his address had been given to him by a member of the Government, and that he thought that the time had arrived for the American and Canadian parties to get together.

A letter is shown to witness.

Question—Is that the letter to which you refer?

Answer—No, this is not the letter. The letter that opened the correspondence was written from Montreal, this is written from London. I think it was in 1871, and previous to Sir Hugh Allan sailing for Europe. The one now shown to me was written after the negociations had proceeded several months.

Question—Is that the letter you mean now shown to you?

Answer—No, it is anterior to that. The first letter that opened the correspondence, I think, was written either in May or June of 1871.

Question—To whom was that letter addressed?

Answer—To Charles M. Smith.

Question—Did Mr. G. W. McMullen tell you that that letter was included in the package placed in Mr. Starnes' hands?

Answer—He told me that the package contained all the letters of importance. He did not indicate to me any special letters.

Question—Are you confident with respect to the date of it?

Answer—The only means I have of knowing is that the negociations had proceeded some two or three months before the Chicago fire, and that was in October, 1871.

Question—There are some letters addressed to Mr. Smith in this package; through whom they were obtained from Mr. Smith?

Answer—I presume they were given to my brother. The relations between Mr. Smith and my brother and myself, are so intimate, that all the correspondence was communicated to us. I handled all the letters of Mr. Smith as well as my brothers, and Mr. Smith handled all my brothers letters in reference to this matter.

Question—How nearly can you particularize the date in regard to this matter? If you cannot say the day say the month?

Answer—I think it was early in May, 1871.

Question—You don't know where that letter is now?

Answer—It was not considered of sufficient importance to take much care of.

Question—What other letter do you recollect?

Answer—There was a letter detailing the sums of money that Sir Hugh Allan had spent.

Question—Do you remember the date of that?

Answer—I think it was in February. It was in January or February, 1872.

Question—Here is a letter which reads as follows: "It seems pretty certain that in addition to money payments, the following stock will have to be distributed: To D. L. Macpherson, $100,000, &c." Is this the letter you refer to?

Answer—No it is another letter. I said that I recollected that letter in addition to the other.

Question—"On whom am I to draw for money." Is that the letter.

Answer—I believe that is the letter. On examining it I see that this is the other letter. I recollect this letter. This does not refer to the appropriation of stock in Canada. This is one of the letters that I recollect as having been received by Mr. Smith as coming from Sir Hugh Allan. I saw it after Mr. Smith received it. Within a day or two after he received it, he either called at our office or we called at his office, and all these letters were read by both parties.

Question—Look at that letter dated 16th September, 1872, and say if it is the letter you refer to relating to the money?

Answer—Yes, this is the letter.

Question—Are there any other letters you can remember of?

Answer—I believe that there were two letters that came from Sir Hugh Allan in regard to the breaking up of the arrangements in the fall of 1872. I scarcely think they are in the package but they may be.

Question—Why dont you think they were in the package?

Answer—Because they did not consider them of sufficient importance.

Question—Sufficient importance for what.

Answer—In regard to the scheme, when he put the letters in the package, he put in all the letters that had important matters in them, in regard to the negociations, but I dont think he put them in; that is letters which closed the negociation. They were too short and abrupt. The letter dated 11th November, is one that was in the package.

Question—Look at the other letter now shown to you, and say if that is one of the letters you have alluded to.

Answer—Yes both of the letters now shown me, are the two letters I have spoken of.

Question—Do these complete the whole series.

Answer—Yes.

Question—You said there were two letters, which were not th[illegible] important, and that you did not suppose they were in the package?

Answer—Excuse me, I said that they were not important, I meant my brother told me, he had put in all the important letters, and from my recollections, I suppose he considered them of little importance, but I see he has put them in.

Question—Have you copies of all correspondence that passed?

Answer—No.

Question—Has your brother?

Answer—Not to my knowledge.

Question—Do you keep a letter book?

Answer—Yes.

Question—Do you copy important letters received and sent?

Answer—These letters were never copied. We keep a letter book in which we usually take copies of letters received and sent. They may have been copied by hand. Nearly all of the letters that my brother wrote, either he or I, usually copied them in letter form.

Question—Were they in a particular book?

Answer—Not in a book at all, but on a sheet of paper.

Question—Are these copies in existence?

Answer—I don't know that they are.

Question—Were copies of the letters despatched by you, kept?

Answer—Yes, it is the copies despatched by us that I refer to.

Question—Were the letters received copied?

Answer—No, they were simply fyled away. After the contents of the letters received were known to two or three interested in the scheme, my brother usually took charge of them himself.

Question—Do you know of any interviews that your brother had with Sir Hugh Allan or anybody else in reference to these matters?

Answer—Only what he told me. The only person he ever consulted in my presence were one or two gentlemen in Toronto. It was on one occasion when I was with him in Toronto. We met Mr. James Beatty and his Nephew. They were the only persons that we conversed with when I was present.

Question—You have never been present at any interviews between him and Sir Hugh Allan, or any other person representing Sir Hugh Allan?

Answer—I was present at one or two interviews that he had with Mr. Waddington and Mr. Kerstoman, in Chicago, but I did not consider that they were themselves directly interested. That was at the very opening of the negociations.

I live in Chicago. I have been recently in Pictou. I left Chicago on Sunday night. My brother was there at that time. He had not received any subpœna when I saw him.

Question—Do you know anything more about this matter of your own personal knowledge?

Answer—Nothing but the terms of the contract. I saw the contract between the New York parties, my brother, Mr. Smith and Sir Hugh Allan.

Question—What date was that?

Answer—It is a year since I saw it. I think it was in the fall of 1871. I cannot designate the date.

Question—Was the contract dated?

Answer—I cannot swear positively that it was dated. I have merely reference to the time that it was signed.

Question—Did you see it signed?

Answer—No.

Question—How can you say it was signed, if you did not see it signed?

Answer—I know it was signed between the time that my brother left Chicago and came back, and I brought the contract with him.

Question—Did he prepare a contract before he left Chicago?

Answer—He prepared a memorandum on which to make the contract.

Question—The instrument that you saw apparently signed, was it the instrument that he brought back with him?

Answer—I never saw that instrument until after he came back. I have merely his word for it that it was signed.

Question—Can you say the date?

Answer—No, I cannot.

Question—Have you no recollection at all?

Answer—My recollection of the date is, that it was either in December or the last of November, 1871.

Question—What names did the writing that you saw bear; what signatures were to it?

Answer—The American names were W. B. Ogden, George W. Cass, Thomas Scott, Governor Smith of Vermont, and W. G. Fargo.

The majority of these gentlemen live in New York.

Question—Were these all?

Answer—No; Winslow Lanier & Co., I believe, signed. I understood that their signatures stood for a number of other parties, and the President's. I do not remember his name, of the United States and Adams Express Company.

Question—Did the contract purport to bear Sir Hugh Allan's signature?

Answer—Yes; there was the signature—Sir Hugh Allan, my brother, and C. M. Smith.

Question—At what time did your brother leave for the purpose of procuring this contract?

Answer—He left very soon after Sir Hugh Allan returned from England in the fall of 1871—I think it was in the last of November.

Question—What time did your brother return?

Answer—He returned immediately after the holidays.

Question—How many days was he away?

Answer—He was away about five or six weeks, to the best of my recollection.

Question—Do I understand you to say that he did not frame the contract, but notes upon which the contract was to be framed?

Answer—I said he prepared a memorandum for the contract, with the view to a full contract.

Question—Was it signed by Sir Hugh Allan—you do not know?

Answer—I did not see these parties sign.

Question—Do you know where that instrument is now?

Answer—I believe it is in my office.

Question—Is it there?

Answer—I have only my brothers words for it, that a package of papers in the vault contains all these papers. I have not seen it since a year ago.

Question—Did you see your brother place it in the vault then?

Answer—No.

Question—Did he show it to you himself, or did you ask to see it?

Answer—He showed it to me voluntarily as he did all the documents.

Question—Are you interested in his business?

Answer—We are partners.

Question—Did he put the document into his package after he had shown it to you?

Answer—When he showed it to me we were in Picton. He went soon after to Chicago, and I have never seen the contract since.

Question—How soon after you left Chicago did you see him in Picton?

Answer—It was several months. He left Chicago for the purpose of getting this contract signed, and it was afterwards that I saw him in Picton.

Question—Had you not seen him in the meantime?

Answer—He came to Chicago and returned. The document as I understood him, remained in New York for some time, and he afterwards went to New York to get it, and it was when passing through Picton, that he showed me the Contract. That was the first, and only time I saw it.

Question—Do you know, what endorsement was on the package given to Mr. Starnes.

Answer—No.

Question—Do you not know anything of it?

Answer—All I know of the package is that he told me that the letters were in the package, and that there were two notes addressed to Mr. Starnes, to govern him and his action in regard to the delivery of them.

To Sir John A. Macdonald, through the chairman.

Question—You are a partner of George W. McMullen?

Answer—Yes?

Question—I think you have stated that you are intimately acquainted with all the proceedings and arrangements between your brother and Mr. Smith.

Answer—Yes.

Question—Who else in Chicago are interested?

Answer—There was Mr. Hurlbert who assisted somewhat in the negotiations as a friend of Mr. Smith. Our relations with Mr. Hurlbert were not very intimate. We did not consider that he was really negociating.

Question—Did you see those letters as they were published in the Montreal HERALD?

Answer—I saw them published in the GLOBE but not in the HERALD.

Question—Do you know who gave them to the HERALD to be published?

Answer—No.

Question—Did your brother not tell you?

Answer—No.

Question—Have you any knowledge?

Answer—No, I do not know—I never heard.

Question—Have you any suspicion?

Answer.—I have not.

Question—Do you swear that you do not know?

Answer—Yes.

Question—Are you your brother's partner?

Answer—Yes.

Question—Have you seen all the correspondence from end to end?

Answer—Yes.

Question—And yet you have not the slightest idea how these letters got into the Montreal *Herald* or Toronto *Globe?*

Answer—No.

Question—Do you swear to that?

Answer—I do.

Question—Did you never hear of your brother giving copies of these letters to any one?

Answer—No.

Question—Did you never hear of his giving copies to me?

Answer—He told me that he showed them to you.

Question—Do you not remember in one of his letters of his having said that he gave copies to me?

Answer—I do not recollect.

Question—Did he never tell you about giving copies to Mr. Huntington, to Mr. W. Foster, or to anybody else?

Answer—No.

Question.—Have you read your brother's letters that were published?

Answer—I have read most of them.

Question.—Do you remember in one of his letters that he said he had given copies of them to me?

Answer—My recollection is that in the interview with you he showed you the letters. He never said to me that he had given copies of them to any one.

Question—Do you know how much he was to get for putting this correspondence into Mr. Starnes' hands?

Answer—I have no recollection of his telling me directly.

Question—Although you are in business relations with him, you don't know whether he got $20,000 or 20,000 pence?

Answer—At the time he gave these letters I was out of the city at a branch office in another part of the State. I know from hearsay what he got, but he did not tell me.

Question—Was it from Mr. Smith or Mr. Hurlburt?

Answer—No. It was from another brother who wrote me while I was absent from the city.

Question—How much did you get of these $20,000?

Answer—Nothing.

Question—Does not this amount of $20,000 appear in your books?

Answer—No.

Question—You have no interest in that money?

Answer—No, I got no share or interest in it.

Question—And yet you are a partner with your brother and Mr. Smith in all the Pacific Railway matter?

Answer—Yes. I said that I was interested in the proceedings. But as far as this money was concerned, I had no share whatever. Our partnership received none. The $20,000 were divided round for current expenses. Mr. Smith got some, and Mr. Hurlbert got some. It was divided among all those acting in the negociation.

Question—How did you know that this money was divided round for current expenses?

Answer—I heard it from a letter I received from another brother, who was in Chicago when my brother came home.

Question—Did you ever hear about a $17,000 cheque that was contained in the same letter?

Answer—Yes; I heard by the same means that there was a cheque for $17,500; but I don't recollect what my brother told me about it. All I understood was with regard to the general arrangements about the package.

Question—Did he tell you nothing about this cheque?

Answer—He told me the other day that he would forfeit $17,500.

Question—How was he to forfeit this money?

Answer—He said that if the package was given over to Sir Hugh Allan before a certain time after the closing of last Session of Parliament he would forfeit $17,500.

Question—Did he tell you that if the letters were published by him, he would forfeit $17,500.

Answer—No.

Question—Did he not tell you that if any of the negociations came out until after a certain time he would forfeit $17,500?

Answer—No.

Question—Did he not tell you about $25,000 that he was to get from Mr. Huntington?

Answer—No.

Question—He did not?

Answer—No. He told me that no one ever gave him a cent.

Question—He told you that, but he did not tell you about the other matter.

Answer—He told me about that, but he knew that I had heard about the other matter from my other brother.

Question—You say that the package contained all the letters of importance, do you know if there were other letters?

Answer—I have no knowledge of any others. My brother did not say that it contained all the letters, and I have no knowledge as to whether the package contained all the letters or not.

And further for the present deponent saith not.

And on the twelfth day of September, 1873, re-appeared the said witness, and made the following alterations, and additions, to the foregoing deposition.

I wish to add that the letters, which passed between Sir Hugh Allan, and my brother, date from the beginning of the negociations, in 1871, until the close of the first Session of Parliament—also in answer to the question, "Why dont you think that certain letters, are in the package."

I wish to change the word *they* in my answer to *I* making it read, "Because I did not consider them of sufficient importance."

I desire also to add, that the conversation I refer to, with my brother, with regard to the forfeiting $17.500, took place a few weeks ago, and that my brother, told me that if the Committee was dissolved, and the package fell into Sir Hugh Allan's, hands, he would forfeit $17,500

On another point I have been thinking over in my mind, since my examination, and I now remember that my brother and myself had two conversations.

The contract that he showed me at the interview, at Picton, was a private one between himself and his New York partner.

The contract between the American parties and Sir Hugh Allan was shown to me at Chicago.

I wish to add further that when I saw the charges in the newspapers, that my brother was a paid witness or something to that effect, I questioned to know if he had received any renumeration. He replied he had not received one cent, and would not even accept his current expenses.

Question—I think you said that you saw in your brother's possession, either received by him directly or from other parties, all the evidence that was published in the newspapers, is that so?

Answer—I said that I saw the letters that were published in the *Globe*.

Question—Did you see the telegrams that were published?

Answer—I saw them after they were published.

Question—You did not see them before?

Answer—No.

Question—Not any one of them?

Answer—Not any telegrams published in connection with his letter. I never saw any of them except in print.

Question—There is a copy of an alleged telegram from Sir John A. Macdonald to Mr. Abbott, which was published; did you see the original of that?

Answer—No.

Question—Did you see the original of one purporting to be from Mr. Abbott to Sir John A. Macdonald, which has been published.

Answer—Not, except in print.

Question—Have you any knowledge in respect to how they were acquired?

Answer—No.

Question—Can you give the Commission any further information on this subject?

Answer—I asked my brother how he got those telegrams, and he said he might tell me some time, but he would not then.

Question—You never saw any of the originals of the telegrams that appeared?

Answer—I never saw them till they appeared in print, and I did not know that that my brother had them.

Question—There is a letter from Sir George E. Cartier published also, did you see that?

Answer—No.

To Sir John A. Macdonald, through the Chairman:

Question—Have you seen any other papers connected with the subject of this enquiry further than Sir Hugh Allan's correspondence, and the contract you have spoken of?

Answer—Not that I have any recollection of.

Question—You have not seen any of the papers attached to your brother's second letter. I mean the telegrams spoken of by one of the Commissioners?

Answer—I don't recollect which was his second letter. On being informed I say that I never saw these telegrams till I saw them in print.

Question—When did your brother tell you that he would inform you at some future time where he got these telegrams?

Answer—I don't recollect the exact date. It was after the letter appeared. It was in Chicago he told me.

Question—You had seen all the other papers yourself?

Answer—I saw the correspondence.

Question—But he withheld these telegrams from you you say?

Answer—Yes, I never saw them.

Question—You asked him where he got them?

Answer—Yes, I asked where he got the telegrams, and he said that he would probably tell me sometime.

Question—You did not press the question after?

Answer—No. I thought it was of no use pressing it.

And further deponent saith not, and this his deposition having been read by him he declares that it contains the truth, persists therein and hath signed.

Sworn, and taken in part on the eleventh day of September, 1873, and the remainder taken and the whole acknowledged on the twelfth day of said month and year. } (Signed), DANIEL Y. McMULLEN.

(Signed), CHARLES DEWEY DAY, *Chairman.*

" A. POLETTE,

" JAMES ROBERT GOWAN, *Commissioners.*

PROVINCE OF ONTARIO, *City of Ottawa.* } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the HON. MR. HUNTINGTON in the House of Commons on the second day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On the twelfth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners

The HONORABLE JEAN CHARLES CHAPAIS, of the Parish of St. Denis, in the Province of Quebec, who being duly sworn, deposeth and saith:

I am Senator of the Dominion of Canada for the Province of Quebec, and a member of the Legislature. I was one of the Dominion Ministers from the time of Confederation up to 25th January last, when I handed in my resignation.

JUDGE POLETTE—I will read the first part of the charge:

"That in anticipation of the legislation of last Session, as to the Pacific Railway, an "agreement was made between Sir Hugh Allan, acting for himself, and certain other "Canadian promoters, and G. W. McMullen, acting for certain United States capitalists, "whereby the latter agreed to furnish all the funds necessary for the construction of the "contemplated Railway, and to give the former a certain percentage of interest in "consideration of their interest and position, the scheme agreed upon being ostensibly that "of a Canadian Company with Sir Hugh Allan at its head."

Question—Have you any knowledge of the arrangement there referred to?

Answer—Having heard the charge read, I declare that I have no knowledge of it whatever. I know nothing of any, except what I saw in the press, and the legislation referred to in Mr. Huntington's charge took place without there being any such arrangement. I did not learn of any such arrangement being in existence while I was a member of the Dominion Government, nor did I hear of any conversations to that effect. I do not know of any negotiations having taken place with any member of the Government. Several conversations occurred relative to the means to be taken to procure the money necessary for the construction of the Pacific Railway, but I do not know that mention was particularly made of any such arrangements as that referred to in the deed; in all these conversations I always understood that the general desire was that the Pacific Railway should be built with British capital. I never had any interview on the subject with Sir Hugh, nor do I know that any other member of the Government had any in respect of this matter.

JUDGE POLETTE,—I will now read another part of the charge:

"That subsequently an understanding was come to between the Government, "Sir Hugh Allan and Mr. Abbott, that Sir Hugh Allan and his friends should ad- "vance a large sum of money for the purpose of aiding the elections of Ministers "and their supporters, at the ensuing general elections, and that he and his friends "should receive the contract for the construction of the railway."

Question—Have you any knowledge of that sort?

Answer—No; I do not know of any sum having been advanced to the Government for election purposes.

Question—Do you know of any promise of money having been made?

Answer—No; no such promise was ever made to me.

Question—Was it ever said that any member of the Government had received money to assist in the elections?

Answer—It was never said before me.

It is always understood that elections cannot be carried on without money. I understood money was subscribed by the friends of the candidates, but no sum of money was derived for the service suggested. When I speak of aiding the elections, I mean the money that is spent legally.

I do not know if any money was subscribed for the elections of Montreal, except from what has appeared in the press.

Question—Do you know Sir Hugh Allan?

Answer—I know him a little. We have never spoken but twice. Those conversations were not relative to the Pacific Railway. If that subject was ever mentioned, it was in so light and incidental a manner that I never thought anything of it. I think it quite possible that I mentioned it to him on the cars, and I may have asked him "what progress are you making with your Pacific Railway project?"

I know that Sir Hugh Allan had an interest in the construction of the Pacific Railway, because on one occasion there was a question before me regarding an Act of Incorporation.

The circumstance to which I allude is this: Sir Hugh Allan was one day introduced in the Council Chamber, when I was present, and he expressed there his intention to take an interest in the construction of the Pacific Railway. I think this was in the Autumn months of 1871. There had at that time been no legislation on the subject of this railway, but the matter was being discussed. There were only a

few words exchanged at that time, only sufficient to give me to understand what I have just mentioned.

There were other Ministers present.

The means were not spoken of at that time for building the Pacific Railway.

I do not remember who were the Ministers present, but I am certain the Prime Minister was there.

Sir Hugh Allan never spoke to me of the election fund.

I did not know he had subscribed until I saw it in the newspapers; I never heard of it from him nor any one else.

I never had any conversation with Mr. Abbott on the subject of moneys to be subscribed by Sir Hugh Allan for the elections, and have no knowledge of any conversation of that kind between him and any other person.

Question—Were you ever informed of the alleged facts into which this Commission is enjoined to inquire?

Answer—No; there was nothing that could lead me to suspect that any such facts were true. I think if they were true I would have known them as a Minister.

By Mr. LANGEVIN, through the chairman.

Question—Could you say what was the opinion of the members of the Government on the subject of the construction of the Pacific Railway by Americans and with American capital?

Answer—With the exception of one of the Ministers, whom it is not necessary to mention, the Ministers were hostile to the construction of the Pacific Railway by Americans and with American capital.

Question—Can you state the name of the Minister who was considered favorable to the Americans in connection with the construction of the Pacific Railway with American capital?

Answer—I understand Sir Francis Hincks was not unfavorable to that.

Question—Do you know particularly if Sir George Cartier was opposed to the construction of the Pacific Railway with American capital?

Answer—I have heard Sir George Cartier energetically oppose such a course, and I may here say the same for myself.

Question—Can you say if the negociations for granting the charter to the Company now chartered to construct the Pacific Railway were anterior to or after the general elections?

Answer—These arrangements were posterior to the elections.

Question—Is it correct that after the general elections the Government did all they could do to convince Sir Hugh Allan and Senator Macpherson, as representing the two incorporated companies, to consent to an amalgamation of the two companies, as provided for by the Act authorizing the Government to grant a charter for building the Railway?

Answer—The greatest efforts were made by the Government, and the greatest persuasion was used to induce the interested parties in the two companies to agree to amalgamation for the building of the road, and it was only after the impossibility of arriving at such an agreement that the Government used the means which the law gave them to exercise in the presence of such an emergency.

Question—In granting the charter of the company which now exists, do you know if the Government had in view the special interests of Sir Hugh Allan; or if, on the contrary, the Government did not do all it could to ensure the construction of the railway by means of a company capable apparently of securing a representation of the federal interests of the Dominion?

Answer.—From the commencement to the end the efforts of the Government were constant to form a company which would afford the best guarantee for the completion of that great work. Those efforts tended to conciliate, as far as possible, the opposing interests of the two Provinces, the most important in the Dominion: I . ean Ontario and Quebec; and to that end we chose the organization of the company now existing, the names affording the best gaurantee that the work will be

accomplished. We considered the desirability of introducing into the new company the names which appeared in both acts of incorporation of the company.

Question—Can you state positively that before the general elections there was no agreement between Sir Hugh Allan and the Government on the subject of the construction of the Pacific Railway?

Answer.—In my recollection as a member of the Government, there never was any such agreement.

Question—By the PRESIDENT—Can you say whether Sir Francis Hincks continued to hold his first opinions about American capital, or whether he surrendered them subsequently?

Answer—Yes; he gave up his own opinions afterwards, and coincided in the views of his colleagues.

And the said deponent saith nothing more for the present.

On the thirteenth day of September, 1873, the witness again appeared and desired to add the following to his deposition:

At the time of the interview between Sir Hugh Allan and some members of the Cabinet, of which I have above spoken, he was accompanied by two persons named respectively Smith and McMullen. After the usual introduction the question of the Pacific was mentioned by them. As well as I can remember the following was the substance of the short conversation which took place on this subject. Sir John A. Macdonald enquired if they had anything to say. To this they replied as follows: "In case propositions are made to the Government, are they ready to discuss them?" On Sir John replying in the negative, the gentlemen said that under these circumstances they had nothing to say. And the interview thus terminated.

And further the deponent saith not, and this his deposition having been read by him, he declares it contains the truth, persists therein, and hath signed.

Sworn, and taken on this twelfth day of September, acknowledged 13th September, one thousand eight hundred and seventy-three.

(Signed), JEAN CHARLES CHAPAIS.

(Signed), CHARLES DEWEY DAY, *Chairman.*

" A. POLETTE,

" JAMES ROBERT GOWAN, *Commissioners.*

PROVINCE OF ONTARIO, *City of Ottawa.* } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. MR. HUNTINGTON in the House of Commons on the second day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this twelfth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

THE HONOURABLE MATTHEW HENRY COCHRANE, of Compton in the Province of Quebec, who being duly sworn, deposeth and saith:

I reside in Compton, Quebec.

My occupation there is farmer and stock breeder.

I am a member of the Senate.

I know Sir Hugh Allan. I do not know Mr. G. W. McMullen.

Question—Have you any knowledge of any agreement or negotiation between Sir Hugh Allan and Mr. McMullen in relation to the construction of the Canada Pacific Railway at any time.

Answer—None whatever.

Question—Have you at any time heard any member of the Government or Sir Hugh Allan himself make any reference to the existence of any such agreement or negotiation?

Answer—Not to my knowledge.

Question—Were you, from the nature of your occupation, or from any particular position you were in, likely to become acquainted with negotiations of that character?

Answer—I might.

Question—Have you had any conversation with any of the members of the Government in relation to any contemplated agreement for the building of the Pacific Railway with American capital?

Answer—I have not.

Question—Have you any knowledge of an understanding between Sir Hugh Allan, Mr. Abbott, and the Government, or any members of the Government, for the supplying of money to aid in the election of Ministers and their supporters in the general elections of 1872?

Answer—None, aside from what was in the public press; nothing else.

Question—Has anything in any way come to your knowledge which would lead you to believe that there was such an understanding?

Answer—None.

Question—Did you take an active interest or part in the elections of 1872?

Answer—I was interested in them; but I was on no Committee whatever.

Question—Do you know of the subscription of any sums of money for the carrying on of these elections?

Answer.—One small sum only.

Question.—Was that in the city of Montreal or in the neighborhood where you live?

Answer.—It was in Montreal.

Question.—Was that sum subscribed by Sir Hugh Allan?

Answer.—It was not.

Question.—Do you know what amount was subscribed in Montreal for the promotion of the elections?

Answer.—I do not.

Question.—Do you know whether Sir Hugh Allan added to that subscription in any way?

Answer.—I don't, of my own knowledge.

Question.—Have you any knowledge that anybody else, besides this one person whom you have alluded to, subscribed?

Answer.—I have not.

Question.—Have you any objection to state who he was?

Answer.—It was the firm of Smith, Cochrane & Co., of which I am a partner. We have been in the habit of doing so at all the general elections, and have been doing it for many years past.

Question.—Have you any knowledge of the matters to be enquired into by this Commission; any knowledge relating to the construction of the Pacific Railway, or to the furnishing of money for the elections, which you have not stated, and which may be of use to us?

Answer—I was one of the Provisional Directors of the Inter-Oceanic Company.

Question—Are you aware of the negociations which took place for an amalgamation between that company and the Canada Pacific Railway Company?

Answer—Only what I have learned from the press. I never met the Directors but once, and that was in June of 1872, in Toronto. That was before these negociations took place.

Question—Do you know why these negociations failed; why the amalgamation did not take place?

Answer—I don't further than what I see in the press?

Question—Are you aware that your name was put down on the list of witnesses?

Answer—I am not.

Question—Have you any idea what information or what kind of information was expected to be derived from your testimony.

Answer—I have not; I have no idea unless it was because I was one of the Provisional Directors in the Inter-Oceanic Company.

To Sir John A. Macdonald, through the Chairman.

I have no idea why I was put on Mr. Huntington's list of witnesses. I never had any conversation with Mr. Huntington on this matter except in a joking way after he had made his charges.

There was nothing said by me that would lead him to believe that I knew anything about this matter; not the slightest.

And further deponent saith not for the present.

And on this thirteenth day of September, 1873, the witness re-appeared and made the following addition to his foregoing deposition: I wish to add to my answer to the question—"Have you had any conversation with any member of the Government in relation to any contemplated agreement for the building of the Pacific Railway with American capital?"—the following: On the contrary, I have repeatedly heard one member of the Government say that on no conditions would Americans be allowed to have any control.

Question—What member of the Government said so, and at what time, and where was it said.

Answer—It was the Honorable Mr. Pope, in the fall of 1872, on several occasions at Ottawa, and also at Montreal.

And further deponent saith not, and this, his deposition, having been read to him, he declares it contains the truth, persists therein, and hath signed.

Sworn and taken on the twelfth day of September, 1873, and acknowledged on the thirteenth day of said month and year. } (Signed) M. H. COCHRANE.

[Signed] CHARLES DEWEY DAY,
Chairman.

" A. POLETTE,

" JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, *City of Ottawa.* } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this twelfth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

FREDERICK WILLIAM CUMBERLAND, of the City of Toronto, who being duly sworn, deposeth and saith:

Question—Where is your place of residence?
Answer—Toronto.
Question—What is your occupation there?
Answer—Managing Director of the Northern Railway.
Question—Do you know Sir Hugh Allan?
Answer—I do.
Question—Do you know Mr. George McMullen?
Answer—I do not.
Question—Have you any knowledge of any agreement or any negociations between these gentlemen, in relation to the building of the Canada Pacific Railway with American capital?
Answer—I have not.
Question—Have you any knowledge of any negociations in relation to the construction of the Pacific Railway in the winter of 1872, or the Autumn of 1871?
Answer—Yes.
Question—Will you state what that knowledge was?
Answer—Do you mean negociations between other parties, or negociations in which I myself was engaged?
Answer by Commissioner.
I mean negociations in which Sir Hugh Allan was engaged.
Answer by witness.
None whatever, except for the purpose of the amalgamation of the Inter-Oceanic Company with that of the Canada Pacific.

Question—Had you any knowledge of any negociations, having for their object, the construction of the Pacific Railway, with American capital at any time?

Answer—None.

Question—Were you a Provisional Director of the Canada Pacific Company, that was incorporated in the Session of 1872?

Answer—I was a Provisional Director of the Inter-Oceanic Company, that was incorporated during that Session, but not of the other.

Question—Was the Inter-Oceanic Company in some sense the rival of the other Company?

Answer—It was the Company commonly known as the Macpherson Company.

Question—Was it antagonistic to the other Company?

Answer—Yes, it was the rival of Sir Hugh Allan's.

Question—Are you a Director of the Canadian Pacific Railway Company—the one now chartered.

Answer—I am.

Question—Have you any knowledge of any negotiations which took place for the amalgamation of the Canada Pacific Railway Company and the Inter-Oceanic Railway Company?

Answer—I was aware of an effort being made, to bring about that amalgamation, but before the efforts were exhausted I left for England.

Question—Were there any negociations between the two Companies having that end in view—The amalgamation?

Answer—No not to my knowledge—The negociations to which I referred just now were those emanating from the Government. My opinion was sought by a member of the Government as to whether such an amalgamation was possible..

Question.—Who was that member?

Answer.—The Hon. Mr. Campbell, then Postmaster General.

Question.—What was your impression as to his views on the subject?

Answer.—Mr. Campbell evinced very great anxiety to bring about an amalgamation, and asked my opinion as to the possibility of it, so far as I knew the opinions and views of my colleagues on the Inter-Oceanic Board.

Question.—At what time did this conversation take place?

Answer.—I think it was about the end of October or early in November, 1872.

Question.—Did any amalgamation take place?

Answer.—No.

Question.—Why not?

Answer.—I cannot say of my own knowledge, because the efforts towards amalgamation had not been exhausted when I was obliged to leave for England, and I was not aware what course these events took after my interview with Mr. Campbell. I was aware that he acted in some measure upon my advice, my opinion being that an amalgamation was not impossible, and that the majority of my colleagues on the Inter-Oceanic Board would consent to such an amalgamation, provided that they obtained a sufficient guarantee for the exclusion of American influence, to which I had already expressed our objection. Mr. Campbell told me that those guarantees would be given, and of a nature that would be quite satisfactory to us. I then, although recognizing personal difficulties as between Sir Hugh Allan and Mr. Macpherson, expressed the opinion that the majority of my colleagues on the Inter-Oceanic Board would accept such a guarantee and consent to the amalgamation. That, however, did not prove to be correct.

Question.—Was any sufficient guarantee given to the Inter-Oceanic Company?

Answer.—In my opinion the guarantees that were then suggested by Mr. Campbell were amply sufficient.

Question—They did not satisfy the Inter-Oceanic Company, did they?

Answer—I don't know. I think there were some personal reasons that probably offered additional obstacles.

Question—How long were those negociations going on, tending to the amalgamation of the two companies?

Answer—It must have been for a very short time, because I left immediately after my interview with Mr. Campbell, for England.

Question—Are you able to say when they began?

Answer—My impression is that Mr. Campbell came to me first, so far as Toronto was concerned at any rate. I don't know that I am able to state the date of that conversation with accuracy, for I only remember it as immediately preceding my leaving for England. I think I left for England early in November.

Question—Had you any conversation with any other Member of the Government on the subject?

Answer—Yes. I had a conversation with Sir John A. Macdonald.

Question—What was the purport of that conversation?

Answer—It was after my interview with Mr. Campbell, and I think on my way to England; the conversation was somewhat similar to that which I held with Mr. Campbell. I think I told Sir John the purport of that conversation, and repeated my own views as to the possibility of an amalgamation.

Question—Was there any conversation especially, as to the exclusion of American capital and of the American element altogether, in your interview with Sir John A. Macdonald?

Answer—Yes; both with Mr. Campbell and Sir John A. Macdonald. I explained that the American element would have to be excluded, but I thought if there was a sufficient guarantee given as to that, an amalgamation might be effected.

So far as my knowled[illegible]ges, I understood that the Government always held the same views as to the desirability of [illegible]malgamation.

Question—Have you any knowledge concerning the elections of 1872, in the Province of Quebec, particularly in Montreal?

Answer—None.

Question—Have you any knowledge of money being subscribed in aid of the elections of ministers and their supporters, either in Quebec or Ontario?

Answer—I have some knowledge of efforts being made for raising money for election purposes in Ontario.

Question—Do you know whether Sir Hugh Allan contributed?

Answer—I have no personal knowledge, I have learned it from hearsay, and from the newspapers, but I have no knowledge of my own.

Question—Did that information come from any member of the Government or from Sir Hugh Allan?

Answer—No; from neither.

Question—Were you on any of the election committees in Ontario?

Answer—No, I was not.

Question—I understood you to say that you know absolutely nothing of the elections in the Province of Quebec?

Answer—Nothing whatever.

Question—You don't know whether any money was subscribed by any party there?

Answer—I do not.

Question—Do you know of any money being received from Quebec for the purpose of elections in Ontario?

Answer—No, I do not.

Question—Am I right in understanding that the great standpoint of the Inter-Oceanic Company was Canadian influence, and in so far as it was a rival and antagonistic to Sir Hugh Allan's scheme, it was supposed to exclude American influence; was that the chief and prominent distinction?

Answer—That appears in the papers to be the reply which the Inter-Oceanic Company gave to the Government.

Question—Was that the fact?

Answer—There is not a question about it. There were some individual reasons also which offered obstacles.

Question—Do you know anything about the chief object of the Inter-Oceanic Company;

was it based upon any principle, or was it merely with the object of making money or something else?

Answer—I really don't know. I was invited to join it very early in its history. My impression is that at that time the idea of Canadian and British influence being employed in it was the basis.

Question—You were subsequently appointed a director in the Chartered Company, the Canadian Pacific, were you not.

Answer—Yes.

Question—At whose instance were you appointed?

Answer—I really don't know. The appointment was made during my absence in England.

Question—It was a Government appointment was it not?

Answer—Yes.

Question—Do you know how your name came to appear?

Answer—I have no knowledge. I have my own suppositions. My suppositions are based upon a conversation that I had with Sir John A. Macdonald before I went to England. The subject of that conversation was to, in the event of amalgamation failing, who might be regarded in Ontario as reliable persons to serve upon the new Board.

Question—Did he at that time give any indications that he desired you to act upon this Board?

Answer—We considered a number of names as to their fitness, and Sir John did me the honor of asking my opinion, and in that list my own name was placed, and I then told Sir John that I gave him *carte blanche*.

Question—You have been a long time connected with Railways?

Answer—Yes.

Question—You have the credit of being sharp in these matters?

Answer—I had no desire to serve upon that Board.

Question.—Did you gather from Sir John's conversation that it was his desire to seek out competent persons?

Answer.—We parted with the understanding, that as far as I was concerned, if it was thought I could be useful or he desired that I should serve, he might use my name.

Question—Were there any gentlemen from the Inter-Oceanic Board named in this Canadian Pacific Company?

Answer—Yes; Major Walker.

Question—Any other?

Answer—Mr. Walter Shanly.

Question—Another?

Answer—I think there were four; I forget the last.

Question.—Who is Mr. Walker?

Answer—He is a resident of London, Ontario, and largely interested in oil works in that neighbourhood.

Question—Mr. Shanly is an engineer, is he not?

Answer—He is an engineer of the highest standing, and has large railway experience.

My impression is, that there were others who were on the Inter-Oceanic Board, appointed Directors of the Canadian Pacific Company, but at this moment I do not recollect them. Looking at the list I see there were Major Walker, Mr. Shanly, and myself—These are the only ones that I recognize from Ontario.

To Sir John A. Macdonald through the Chairman.

Question—On this occasion, on which you and I had the conversation anterior to your going to England, do I understand that that conversation was as to the formation of a Board in case the amalgamation fell through?

Answer—Yes.

Question—And I was negociating to get your opinion as to fitting representatives from Ontario on the Board of the chartered company? We considered a great many names including your own, did we not.

Answer—Yes.

Question—You said that if you could be of use in the Company or out of the Company that I might use your name?

Answer—I did.

Question—You took part in the Elections in Ontario, did you not?

Answer—I did

Question—In Toronto and vicinity?

Answer—Yes.

Question—Did you subscribe to the Elections at Ontario?

Answer—I helped at the Elections pecuniarily.

Question—In subscribing to the Elections did you consider in any way that you were recompensing the Government for any interest in this Railway.

Answer—Certainly I did not. I subscribed and paid as a member of the party. I may just add this that I expressed rather strong reasons originally when I was invited to go on the Inter-Oceanic Board; and to yourself, I think, subsequently, with reference to the possibility of my name being placed on the Board of the present Company, and at that interview, anterior to my going to England, I said that I had no desire to serve upon that Board, that I saw nothing in it: That the terms then described by the Government were not such as to attract anybody to the work, but that I was willing to work as a public servant. I did not consider that the terms were sufficiently liberal.

Question—You agreed to serve upon the Board if it was necessary from public and patriotic motives?

Answer—As a public servant. I saw nothing in it.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the twelfth day of September, 1873, and acknowledged on the thirteenth day of said month and year.

(Signed,) F. W. CUMBERLAND.

(Signed,) CHARLES DEWEY DAY,
Chairman.

" A. POLETTE,

" JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, *City of Ottawa.* } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to require into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this twelfth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

DONALD McINNES, of the City of Hamilton, Merchant, who being duly sworn, deposeth and saith:

I reside in the city of Hamilton. My occupation there is that of a merchant.

I know Sir Hugh Allan. I do not know Mr. Geo. McMullen.

Question—Do you know of any negotiation carried on between these gentlemen, or of any agreement between them in the autumn of 1871 or the winter of 1872 for the purpose of building the Canada Pacific Railway with American capital?

Answer—No; I know nothing about it. I may state that I think it was in the autumn of 1871, Sir Hugh Allan asked me whether I would consent to become a director of the Canada Pacific Railway, and I consented. I think he told me in general terms that he was negotiating with some American capitalists, but I know nothing whatever beyond that. I don't think he stated who they were.

Question—Do you remember about the time this took place?

Answer—No. I do not.

Question—Can you fix about the time?

Answer—I cannot charge my memory exactly. I remember the occasion. It was on the train between Cornwall and Montreal. We had been at Cornwall to attend the meeting of a manufacturing Company, in which we were both interested, and it was on the way back to Montreal that we had this conversation.

I think it was about the latter end of 1871.

Question—Had the winter set in?

Answer—I think so.

Question—Did he mention to you the name of Mr. McMullen?

Answer—No. I don't think I ever heard of his name until it appeared in print recently.

Question—Did you understand that any agreement had been made?

Answer—No. I understood that no agreement had been made.

Question—Were you one of the Provisional Directors of the Canada Pacific Railway?

Answer—Yes.

Question—In that capacity did it come to your knowledge that any negociations were being carried on?

Answer—No; it so happened that I never attended any of the meetings.

Question—Have you had any conversation with any member of the Government that would lead you to think that such negociations were going on?

Answer—No.

Question—Do you mean to say that you have no other knowledge than that which you have stated above in reference to these negociations?

Answer—None whatever, except, of course, what has recently appeared in the newspapers.

Question—Are you a member of the present Canadian Pacific Company?

Answer—Yes. I was named a director when I was in England, by Sir John A. Macdonald.

Question—Can you state why that Company was chartered instead of the old Company "the Canada Pacific" going on.

Answer—No, I cannot state the exact reasons. I was absent in England when that Company was formed.

Question—Have you any knowledge of any negociations between the Canada Pacific Company and the Inter-Oceanic Company with respect to an amalgamation?

Answer—None except what appeared in the public papers.

Question—You don't know otherwise than from the public prints that such a negociation was carried on between the two Companies?

Answer—No, I may have heard it mentioned in conversation that such a thing was going on, but nothing beyond that.

Question—Do you know whether there are any American capitalists among the Directors of the Canadian Pacific Company or any American Capital invested there?

Answer—I am not aware of any.

Question—Have you any knowledge, Mr. McInnes, of money having been subscribed for the support of Ministers and for the aiding of elections of Ministers and their supporters in 1872, at the general elections in Ontario?

Answer—Yes; I know there was money subscribed in the constituency wh[illegible] I belong, and paid.

Question—Do you know whether any money was subscribed by Sir Hugh Allan or Mr. Abbott?

Answer—No; I do not know of any.

Question—Was any money sent up from the Province of Quebec?

Answer—None, that I am aware of.

Question—Have you any knowledge relating to the elections in the Province of Quebec?

Answer—None whatever.

To Sir John A. Macdonald through the Chairman:

Question—I think you are one of the principal merchants in Hamilton?

Answer—I am a merchant there.

Question—It was in your capacity as being a merchant largely engaged in business that Sir Hugh Allan asked you to go on the Board of the Canada Pacific Company?

Answer—I presume so.

Question—And to get a representative from Ontario?

Answer—I think so.

Question—From whom did you first get any information of your being selected to serve on the Board of the Chartered Company?

Answer—From yourself. I was in London at the time and received the news by cable. I received no information other than from yourself. I answered accepting the appointment.

Question—Have you any particular relations with Sir Hugh Allan?

Answer—No; none. I am quite independent of him in business matters, except that we have a joint enterprise in Cornwall in a manufacturing company.

I know of subscriptions being made at the last elections in Hamilton. That always happened at elections, unfortunately. I know that I subscribed.

Question.—On the right side and at the right time?

Answer—Yes; I did that of my own accord and not on account of being on the Pacific

Railway. Decidedly not. I did not show any great anxiety to get on that Board, or to be connected with that enterprise.

Question—Was it altogether as a matter of duty and principle that you consented to serve on that Board.

Answer—I felt that it was a great national undertaking, and if my services would be of any use in its promotion, that it was my duty to place them at the disposal of such a public work.

And on this thirteenth day of September, 1873, re-appeared the said witness and made the following addition to his foregoing deposition:

I desire to add with respect to some correspondence which was published in the newspapers in which my name was put as receiving by way of gift, as I understood it, the sum of $50,000 of the Canada Pacific stock. I beg to state that Sir Hugh Allan, nor any one else, never made such an unworthy proposal to me.

And further deponent saith not, and this, his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the twelfth day of September, 1873, and acknowledged on thirteenth day of said month and year. } (Signed), D. McINNES.

(Signed). CHARLES DEWEY DAY,
Chairman.

" A. POLETTE,

" JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa. } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. MR. HUNTINGTON in the House of Commons on the second day of April, A. D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this twelfth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

ROBERT N. HALL, of the Town of Sherbrooke, in the Province of Quebec, Advocate, who being duly sworn, deposeth and saith:

I reside in Sherbrooke. My profession is that of an advocate.

I know Sir Hugh Allan. I do not know Mr. G. W. McMullen.

Question—Have you any knowledge of any negociation or agreement between Sir Hugh Allan and Mr. McMullen, relating to the construction of the Pacific Railway?

Answer—Not the least, no knowledge of it whatever.

Question—Have you ever had any conversation with any member of the Government, in relation to any such agreement?

Answer—I have not.

Question—Have you ever had any means of knowing whether such a negotiation was going on with a view to an agreement of that nature?

Answer—I never saw anything to indicate it.

Question—Is it then a matter concerning which you know nothing at all?

Answer—I have no knowledge of it whatever, not the least.

Question—Have you taken an interest or have you been engaged in Railway enterprises?

Answer—I have taken quite an interest in the promotion of Railways in the section of country in which I live.

Question—Have you had any interest or taken any part in the movement for building this Pacific Railway?

Answer—I was appointed one of the Directors of the Canadian Pacific Company, that is the chartered Company.

uestion—When did your acquaintance or connection then begin with the enterprise for building this Railway.

Answer—It was only a short time before my appointment and before the signing of the contract.

Question—Before that did you know anything about it or had you taken any interest in the matter?

Answer—I had taken quite an interest in it, although I did not identify myself in any way with its promotion.

Question—You had not been consulted by Sir Hugh Allan or any other person in relation to the construction of it?

Answer—No, I had not. I had no connection with Sir Hugh Allan in reference to it. In fact I did not know him before the contract was signed. My acquaintance with him is only since that time.

Question—Did you take any part in Lower Canada in the general elections of 1872?

Answer—I did not.

Question—Do you know of any money having been subscribed in aid of the election of Ministers or their supporters?

Answer—No, I do not. There were very few contested elections in the Townships, the elections were by acclamation—those at least in the part of the Townships where I reside.

Question—Do you know anything of the Montreal elections?

Answer—Nothing whatever.

Question—Do you know whether there was any subscription of money for the carrying of them on?

Answer—I do not.

Question—Do you know whether Sir Hugh Allan contributed anything in aid of the Elections, in any part of the Province of Quebec?

Answer—I do not—No contribution ever came to my knowledge in any way.

Question—Are you aware of the reasons for which your name was put on the list of witnesses?

Answer—I cannot imagine any reason—I never had any conversation with Mr. Huntington at all—I had no knowledge of anything that tended to support the charges made by him.

To Sir John A. Macdonald through the Chairman.

Question—Do you know at whose instance it was that you became a member of the Board of the Canadian Pacific Railway?

Answer—At the instance of the Hon. Mr. Pope, Minister of Agriculture; at least I understood I was nominated by him. He is the representative from the Townships in my part of the country. He asked me to become a Director. He said it was desirable that that Section of the country should be represented on the Board and asked me to act. He said there were two representatives from Montreal, and one from Quebec, and he thought therefore that the Eastern Townships should have a representative on the Board.

I was in no respect, that I am aware, of the nominee of Sir Hugh Allan.

I had no personal acquaintance with Sir Hugh Allan at the time. I had reason to believe that Sir Hugh Allan wished to name another gentleman in my place. That gentle-

man was Mr. Foster. I understood that negociations—at least the signing of the contract, was delayed on account of Sir Hugh Allan's pressing the nomination of Mr. Foster.

And further deponent saith not, and this his deposition having been read to him he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the twelfth day of September, 1873, and acknowledged the thirteenth day of said month and year.

(Signed), ROBT. N. HALL.

(Signed), CHARLES DEWEY DAY, *Chairman.*

" A. POLETTE,

" JAMES ROBERT GOWAN, *Commissioner.*

PROVINCE OF ONTARIO, *City of Ottawa.*

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this thirteenth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

JOSEPH HAMEL, of the city of Quebec Merchant, who being duly sworn, deposeth and saith:

I know Sir Hugh Allan very slightly. I never had any conversation with him.

I do not know G. W. McMullen.

Having heard read that part of the charge contained in the Royal Commission, which reads as follows:

"That in anticipation of the legislation of last Session, as to the Pacific Railway, an agreement was made between Sir Hugh Allan, acting for himself and certain other Canadian promoters, and G. W. McMullen acting for certain United States capitalists, whereby the latter agreed to furnish all the funds necessary for the construction of the contemplated railway, and to give the former a certain percentage of interest in consideration of their interest and position, the scheme agreed upon being ostensibly that of a Canadian Company with Sir Hugh Allan at its head."

I declare that I know nothing of this arrangement. I only know what I have seen in the newspapers, nothing more.

I am not aware whether the Government knew of the existence of such an arrangement between Sir Hugh Allan and G. W. McMullen.

I do not know whether there existed any negociations between certain persons for the construction of the Canada Pacific Railway.

No Minister or Member of Parliament spoke to me on the subject. I declare that I only know of this affair through what I have read in the newspapers.

Having heard read the other part of the charge contained in the Commission, which reads as follows :

"That subsequently an understanding was come to between the Government, Sir Hugh Allan and Mr. Abbott, one of the members of the Honorable House of Commons of Canada, that Sir Hugh Allan and his friends should advance a large sum of money for the purpose of aiding the elections of Ministers and their supporters at the ensuing general elections, and that he and his friends should receive the contract for the construction of the railway."

I declare that I know absolutely nothing of such an arrangement, except what I have learned through the press. Sir Hugh Allan never told me that he had advanced money for the elections of ministers and their supporters, nor did Mr. Abbott, whom I know very slightly. No member of Parliament or Minister, ever told me that Sir Hugh Allan had advanced money for the elections of 1872.

I have no knowledge that money was subscribed for the Montreal elections. As to other places, I am aware that subscriptions are always raised to assist the elections of friends of the Government. I do not know that Sir Hugh Allan subscribed to aid the elections, nor Mr. Abbott either. I do not know if the friends of Sir Hugh Allan advanced sums of money for the elections of ministers or their friends. When I say that I do not know that sums of money were advanced for the elections of 1872, I mean sums coming from this source—that is from Sir Hugh Allan. There were moneys subscribed by other friends of the Government towards the elections, but it was not for the election of ministers. The subscriptions I have just mentioned, may have reached five or six thousand dollars for the election at Kamouraska. I am not aware of any moneys for other elections. I have never had any conversation with members of Parliament or with ministers, on the subject of subscriptions by Sir Hugh Allan or Mr. Abbott, or their friends, for the elections of ministers or their partizans, and no conversation occurred in my presence on the subject. I know absolutely nothing of my personal knowledge, of the charges mentioned in the Royal Commission.

I can form no idea of why my name was on the list of witnesses unless it was because I am a friend of the Government.

I persist in declaring emphatically that I have no knowledge of any arrangement or understanding such as that mentioned in the charges before the Royal Commission, and I declare that I have had no conversation with Ministers or Members of Parliament on this subject, and that they have never spoken about it in my presence.

The money subscribed for Kamouraska was subscribed at Quebec and Kamouraska. It did not come from Montreal.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn, taken and acknowledged on the day, month and year, first above written, before us.

(Signed,) JOS. HAMEL,

(Signed,) CHARLES DEWEY DAY,
Chairman.

" A. POLETTE,

" JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, *City of Ottawa.* } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. MR. HUNTINGTON in the House of Commons on the second day of April, A. D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this fifteenth day of September in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

EGERTON R. BURPEE, of the city of St. John, in the Province of New Brunswick, Civil Engineer and Contractor, who being duly sworn deposeth and saith:

Question—Are you a member of the Dominion Parliament?

Answer—No.

Question—Do you know Sir Hugh Allan?

Answer—I am acquainted with him slightly.

Question—Do you know Mr. Geo. McMullen?

Answer—Yes.

Question—When did your acquaintance with Mr. McMullen begin, have you known him any length of time?

Answer—No; I have known him since about the Session of 1872.

Question—Were you one of the Provisional Directors upon the Board of the Canada Pacific Railway Company, incorporated during the Session of 1872?

Answer—Yes.

Question—Have you any knowledge, Mr. Burpee, of any agreement between Sir Hugh Allan and Mr. McMullen, representing certain American capitalists, for the building of the Pacific Railway with American capital?

Answer—I was told by Mr. McMullen that there was such an agreement.

Question—Do you remember when he told you that?

Answer—At the same time—the session of 1872.

Question—Can you specify more nearly the year, month or day.

Answer—It was about the last of the session.

Question—Was it after the Act of Incorporation had been passed or before?

Answer—It was before.

Question—What did he say to you on that occasion?

Answer—I met him a great many different times. He told me there was an arrangement made with American capitalists, in connection with Sir Hugh Allan, to build the road; and he wished me to become a member of the Company.

Question—Did he state if there was any condition of that arrangement by which a certain interest was to be paid to Sir Hugh Allan?

Answer—No. There was a condition that Sir Hugh Allan was to be one of the Company.

Question—Do you know who were the American capitalists whom Mr. McMullen represented?

Answer—I cannot remember them all; there was a large number. There was Governor Smith mentioned, Jay Cooke, and General Cass.

Question—Did you understand that the Government of the Dominion was at that time favorable to that arrangement?

Answer—No, I did not. It was rather adverse.

Question—Did McMullen say anything to you on that subject?

Answer—Nothing definite at all, except that he wanted the Government to acquiesce.

Question—Was this after the agreement to which you have adverted had been signed?

Answer—He said it had been signed.

Question—At whose instance did you become a Provisional Director?

Answer—At the instance of Sir Hugh Allan and Mr. Abbott; but I was for a long time interested in the Pacific Railway. We had been talking about it for some four or five years. I was solicited by both the Inter-Oceanic and the Canada Pacific Company to join with them. I had a desire to be interested in the work, having already spent four or five years in working in connection with it.

Question—Were you requested to become a Provisional Director of the Inter-Oceanic Company before you were connected with the Canada Pacific Company.

Answer—Yes.

Question—Was the Government aware that you had been requested to become a director of the Inter-Oceanic Company?

Answer—I cannot say that they were. Those Members of the Government with whom I had any conversation had always told me that the two Companies would be amalgamated; or at least that was their impression.

Question—Who were those members of the Government?

Answer—The Members from the Province of New Brunswick, Mr. Tilley and Mr. Mitchell.

Question—What reason had you to believe that the Government was adverse to the introduction of American capital?

Answer—I had been told by Members of the Government that it was intended that the Road should be built with Canadian or British capital.

Question—Will you name the gentlemen who told you so?

Answer—I do not remember exactly, but I know that it was Mr. Mitchell's idea that the Road should be so built.

Question—Any other beside Mr. Mitchell?

Answer—I think there were several others besides him. I think it was Mr. Tilley's idea also.

Question—From your several conversations with members of the Government what was the conclusion that you came to as to the disposition of the Government in the matter?

Answer—I was quite convinced that the two Companies would be united. For that reason I thought that it was immaterial as to which Company I belonged to. My opinion is from the conversations I had with Members of the Government that the Government was adverse to the admission of American capital.

Question—Had you any personal knowledge of negociations tending to the amalgamation of these two companies—the Inter-Oceanic and the Canada Pacific?

Answer—No personal knowledge.

I took no part in these negociations.

Question—Do you know why the negociations were unsuccessful?

Answer—No.

Question—Are you now a member of the Board of Direction of the Canadian Pacific Company?

Answer—Yes.

Question—By whom were you nominated a Director?

Answer—By the members of the Dominion Government for the Province of New Brunswick, Mr. Tilley and Mr. Mitchell.

Question—That company consists of how many Directors?

Answer—Thirteen.

Question—Do you recollect the date of that charter?

Answer—I think it was in January, 1873. I cannot remember precisely. I was here at the time. Perhaps it was February.

Question—When you were asked to become a Director of the Canadian Pacific Company, or rather before you were asked to be so, were you consulted in regard to the terms of the Charter?

Answer—I had talked it over with different parties, and I was told what the provisions were, and I also had an opportunity of reading it.

Question—When was the contract given under this Charter?

Answer—At the same time if I recollect right, or a few days afterwards.

Question—Having seen the Charter, what was your opinion in regard to it, and the terms of the contract upon it?

Answer—It was to be entirely Canadian under this new Charter.

Question—Was the Stock subscribed in order to lead to that result?

Answer—It was. It was distributed in the different Provinces in proportion to their population. I was requested to get up one-thirteenth of the Stock, and before I became a member the greater portion of the Stock for New Brunswick was subscribed by other people.

Question—Then the stock was to be re-distributed by the thirteen Directors in their several Provinces?

Answer—Yes.

Question—Were there any perscribed terms on which the Stock should be given out by these thirteen Directors?

Answer Yes; there was no one allowed to exceed a certain amount, and it was to be kept entirely in the hands of British subjects. It was to be given out to the different Directors in proportian to the population of the Provinces which they represented; for instance, one-thirteenth of the whole Stock was allotted the Province of New Brunswick.

Question—Were you prohibited from putting any premium upon it?

Answer—Yes.

Question—Were these thirteen directors on an equal footing?

Answer—Yes; so I understood.

Question—There was no preference given to any one over the others?

Answer—I never could see any.

Question—As a man experienced in the construction of railroads, do you consider the charter to be, or the contract to be, one of a particularly favorable and profitable character?

Answer—I did not consider it satisfactory.

Question—Satisfactory to whom?

Answer—I mean that I did not consider it advantageous. I considered it a hard contract.

Question—You stated, did you not, in the beginning of your evidence, that you are a railroad contractor?

Answer—Yes.

Question—Were you induced to take a part in the Directorship of this Company with the hope of making a profit out of it?

Answer—I thought so at first, but when I came into this last company, I could not see much chance for making a profit. I expected in the first place when I was working in connection with the road that a profit might be made out of it; that is years previously, I thought so.

Question—Have you any knowledge of any understanding between the Government and Sir Hugh Allan and Mr. Abbott for the furnishing of money for the promotion of elections in 1872?

Answer—None whatever.

Question—Where were you during the period of these elections?

Answer—In New Brunswick, I think.

Question—You are not in a position to know anything of the matter?

Answer—No.

Question—Have you any reason to believe that any money was subscribed in the Province of Quebec or Montreal for the purpose of the elections?

Answer—It is a matter of which I have absolutely no knowledge.

Question—I suppose you took some interest in the elections in New Brunswick?

Answer—In some of them.

Question—Do you know if money was subscribed there for the support of the elections?

Answer—I did not see any subscribed; but I know money was spent.

Question—Do you know from what source the money came?

Answer—From individual candidates and from their friends for them.

Question—Have you any knowledge that Sir Hugh Allan or Mr. Abbott furnished any money for election purposes.

Answer—I do not know. I have no knowledge whatever.

Question—Do you know whether any money was sent to New Brunswick for election purposes from the Provinces of Quebec or Ontario?

Answer—I have no reason to believe there was.

Question—Have you had any conversation with any member of the Government which would give you any knowledge upon that subject?

Answer—No.

Question—Or with Sir Hugh Allan?

Answer—No.

Question—You say you know Mr. McMullen. Have you any knowledge of the correspondence which took place between him and Sir Hugh Allan?

Answer—Nothing, except what he told me of the correspondence.

Question—Have you anything to add to what you said he told you in relation to that correspondence?

Answer—No.

Question—You have never seen the correspondence between them—any of the original letters?

Answer—I have seen some of the original letters but I cannot say now what they contained?

Question—Would you be able to identify any of them now?

Answer—I am not certain. I don't think I would.

Question—Were any of the letters which you saw, afterwards published in the public prints?

Answer—No; but I have not read them all. I cannot say for certain that they are the same. I would not undertake to say that I could identify them, as I paid at the time very little attention to them.

Question—Were you present at any of the Conferences between Sir Hugh Allan and Mr. McMullen?

Answer—No.

Question—Or with either of these gentlemen and any Member of the Government?

Answer—No.

Question—Do you know anything about these telegrams which have been published?

Answer—No knowledge whatever.

Question—Have you any further knowledge relating to the subject of this enquiry?

Answer—I don't think of any.

Question—Do you know whether Sir Hugh Allan received any money from United States' Capitalists?

Answer—Mr. McMullen told me that he had advanced him money for the preliminary expenses of organizing the Company and getting the charters.

Question—Have you any other knowledge besides that?

Answer—Nothing except from him.

Question—Did Mr. McMullen say to you for what purpose the money was furnished by him?

Answer—It was for the preliminary expenses in getting the charter and organizing the Company. It was before the first charter was got.

Question—Was the use of American capital ever contemplated in the new charter.

Answer—No.

To Sir John A. Macdonald through the Chairman.

I am a civil Engineer as well as a Railway contractor—I have had large experience in Railways in New Brunswick and elsewhere for the last fifteen years—During the last five years I have directed my attention towards the Pacific Railway—I got up some statistics in reference to it at one time.

I expected to make some profit out of it at one time.

I was asked by the representatives of New Brunswick in the Cabinet to act as a Director. They informed me that they had put my name down and asked me to serve as a representative man from New Brunswick—at least I took it in that light—I had no idea of making any profit out of it as a Director—I had a misgiving as to whether the arrangement was a profitable one for the Company.

I was not asked by Sir Hugh Allan to become a Director of the present Company.

I am quite certain that it was not due to Sir Hugh Allan that I was appointed.

I cannot say that Sir Hugh Allan was opposed to me but my impression was that he was opposed to me but I do not know it directly from himself. I thought at the time that he was opposed to me.

The interest of New Brunswick in this Company was one-thirteenth of the whole stock, and as a Director I subscribed one-thirteenth of the stock, and paid a tenth of that amount; at least my friends and myself together paid it. That is, my New Brunswick friends. They took some of the stock for me before I subscribed. Those persons who subscribed for me were all Canadians. No American money was admitted on that subscription list. There was an agreement between me and those New Brunswick friends that the stock should be transferred from me to them.

I know that the charter provided that there should be no transfer of stock without the consent of the Government, and they understood it so too.

If this were not done, the money deposited was to be paid back by me to them.

Mr. McMullen told me that Sir Hugh Allan had received from the Americans a sum of money to meet the preliminary expenses in getting the charter for the first Company. I have had a good deal to do with getting up Railway Companies, and have had considerable experience in that way. That is always the first step taken to get funds for preliminary expenses. It always requires money, and sometimes we are obliged to pay it ourselves.

In my conversation with Mr. McMullen, I did not tell him that American capital would be excluded until after this last charter was granted, or a short time before it was granted, Under the new charter, as it was drawn, it was not possible for American capitalists to get in without the consent of the Government; at least, I cannot see any way how they could, and I told Mr. McMullen so.

Question by a Commissioner—What are the names of the persons who joined in the subscription of Stock with you?

Answer—There were several. There were Mr. Domville, who lives at St. John, and Mr. Ryan, of Miramachi. His home is in Ontario somewhere, I believe. He had some one or two friends with him, whose names I do not know. Their Stock was put in his name for them; Mr. McKean was one of them, I think. I have no other names, but both Mr. Ryan and Mr. Domville have friends joined with them in their Stock.

My reason for supposing that Sir Hugh Allan was not favorable to my becoming a director was, that I met him several times, and he seemed adverse to have anything to say to me about it, and I never had any conversation with him about it until after I had signed the articles, and then nothing but the ordinary intercourse of one with another; nothing was said with respect to my name having been placed on the directorship.

And further deponent saith not, and this his deposition having been read to him he declares that it contains the truth, persists therein, and hath signed.

Sworn, taken and acknowledged on the, fifteenth day of September, 1873.

(Signed), EGERTON R. BURPEE.

(Signed), CHARLES DEWEY DAY, *Chairman.*

" A. POLETTE,

" JAMES ROBERT GOWAN, *Commissioners.*

PROVINCE OF ONTARIO, *City of Ottawa.*

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. MR. HUNTINGTON in the House of Commons on the second day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this fifteenth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

The HONORABLE ALEXANDER CAMPBELL, who being duly sworn, deposeth and said:

I reside in Ottawa. I am a member of the Privy Council. I am now Minister of the Interior. I have been a Member of the Government since the first of July, 1867; that, is of this Government.

Question—Have you any knowledge of an agreement between Sir Hugh Allan and Mr. G. W. McMullen respecting the construction of the Pacific Railway with American capital?

Answer—I have no knowledge of any such agreement.

I know Sir Hugh Allan, but I do not know Mr. G. W. McMullen.

Question—Are you aware of any negociations being carried on between these gentlemen having that end in view,—that is the construction of the Pacific Railway with American capital.

Answer—Not of my own knowledge.

Question—Have you been present at any interviews with those gentlemen, or with either of them, relating to that matter?

Answer—None; I never saw Mr. McMullen in my life, to my knowledge, and have been present at no interview with him.

Question—Are you aware whether the Government encouraged any negociations for the purpose of building the road with American capital?

Answer—I am aware that the Government did not encourage any such negociations; that they declined to promote or favour any such arrangement.

Question—When did it first come under your notice that any negociations tending to that end, were going on?

Answer—Merely by rumor. I think either during or shortly after the session of 1872.

Question—Was the opinion of the Government decided upon that matter—that of excluding American capital?

Answer—Yes; decided for excluding it.

Question—When was that decision of the Government apparent?

Answer—I think shortly after the end of the session of 1872, it became the pronounced policy of the Government to construct the railway altogether by means of Canadian and British capital, and by means also of the amalgamation of the two companies.

I think it was made apparent shortly after the close of the session of 1872.

Question—When you refer to the two companies, do you mean the Inter-Oceanic and the Canada Pacific?

Answer—I do. It was the policy of the Government to amalgamate these two companies, to exclude American capital, and to give the charter to the company, to be composed of these two amalgamated companies.

Question—Have you any knowledge of the correspondence which took place between Sir Hugh Allan and Mr. McMullen?

Answer—None whatever.

Question—Would you be able to identify any of the letters that passed between them?

Answer—Not in the least.

Question—Have you read the published letters of Mr. McMullen—the two letters in the press?

Answer—I read those which appeared in the Montreal Herald. I have not read a recent account of an interview which some one had with him in Chicago.

Question—Were you present at any of the interviews which the Government had with him?

Answer—No. I never saw Mr. McMullen.

Question—Are you aware whether Sir Hugh Allan ever received any promise, or any encouragement from the Government, in his negociations with American capitalists.

Answer—None whatever, so far as I know.

Question—Do you know by whom the negotiations for an amalgamation of the Inter-Oceanic and the Canada Pacific Companies were originally suggested?

Answer—I do not.

Question—Were these negotiations looked upon favourably by the Government, or otherwise?

Answer—Favorably. I myself went to Toronto at the request of Sir John A. Macdonald about the end of October, 1872, for the purpose of endeavoring to bring about such an amalgamation, and I know that from the end of the session of 1872—I don't remember exactly what time the session closed—but from that time up to the time of my visit to Toronto, and afterwards—I should say up to the end of November—there were continuous efforts being made by the Government to bring about an amalgamation of these two companies. Besides my visit, efforts were also made by correspondence. After I returned, Sir John Macdonald went himself for a like object. He went some weeks, I think, after I returned. I went up towards the end of October and saw Mr. Macpherson, the President of the Inter-Oceanic Company. I also saw Mr. Cumberland, who was one of the directors, and I went to London and saw Mr. Carling, who was another of the directors, and Major Walker, who, I think, was a member of that company, but I am not aware whether he was a director or not. I endeavored to persuade Mr. Macpherson that his objections as to the American element in the Canada Pacific Company were ill founded, and that the guarantees which the Government were prepared to give were so complete and so absolute, that they would entirely exclude the possibility of the company being controlled by Americans. I did not conceive that Mr. Macpherson was afraid of American capital, but that American views might control it, and that the lands which were promised to the company might fall into American hands and be used for American purposes. I endeavored to convince him by the clauses which would be put in the charter that it would be impossible for Americans to get control of it, and that the railway would be really and thoroughly controlled by Canadians. That was the object which I had in view, and these were the endeavors which I used. This was late in October.

Question—You failed to convince him?

Answer—Yes; Mr. Macpherson did not himself put forward the idea that he claimed to be at the head of the company. He stated that he had no personal objects of his own to gratify, but he was persuaded that if it was not stipulated that Sir Hugh Allan should not be at the head of the company, that American interests would not be excluded. I failed to convince him because of that view which he strongly adhered to. I may add, that during the same visit in the west, I also saw Mr. Gzowski, his partner, on other matters, and I think that I satisfied him that the guarantees proposed by the Government were sufficient for the purpose of excluding American control. I did not however, succeed in convincing Mr. Macpherson.

Question—Did Mr. Macpherson's opinions seem to be shared by all the other members of the Inter-Oceanic company?

Answer—By no means. Mr. Cumberland was quite satisfied that the guarantees were sufficient. Mr. Carling and Major Walker were also satisfied. All three of these gentlemen expressed to me the opinion that Mr. Macpherson in holding firmly to these views, after what I had stated to him, would not continue to represent the views of the gentlemen who had formed his company.

These gentlemen were satisfied, and they thought that the larger number of the members would be satisfied that the guarantees were sufficient to exclude American control.

Question—Did anything further pass at that conference with Mr. Macpherson?

Answer—No. My visit failed on the ground that Mr. Macpherson could not believe that, so long as it was not agreed that Sir Hugh Allan would be excluded from the Presidency of this Company, American interests would be effectually excluded.

Question—Did you explain to the gentlemen with whom you had the conference, what the charter was to be.

Answer—Yes. The guarantees which we proposed, and which are now in the charter, were that the original stock list should be subject to the supervision of the Government, and that no changes should take place in that stock list, without the consent of the Government; that the election of Directors should be subject to the approbation of the Government, and that no changes should take place in the Directory without the consent of the Government.

There were also provisions made in respect to the control of the lands.

Question—You went up to Toronto to represent the Government?

Answer—I went at the request of the Government; or, rather, at the request of Sir John Macdonald.

Question—What time did Sir John Macdonald go there?

Answer—Two or three weeks after that, in November.

Question—What was the result of the whole negociations?

Answer—We could not convince Mr. Macpherson that these guarantees were sufficient unless it was also conceded, and that we should stipulate to exclude Sir Hugh Allan from the Presidency. But, at the same time, he clearly led me to understand that he did not himself put forward any particular claim to the Presidency, but that Sir Hugh Allan should be excluded from that position.

Question—Was Sir Hugh Allan aware of the part the Government was taking for the purpose of bringing about this amalgamation?

Answer—I do not know. I never had any conversation with Sir Hugh Allan about the Canadian Pacific Railway at all.

I presume that he was aware of it, but I don't know it myself.

Question—Was any further guarantee suggested besides that of excluding Sir Hugh Allan from the Presidency?

Answer—No, not in addition to those which I have mentioned?

Question—Do you know when it was announced to Sir Hugh Allan that the Government would not consent to the admission of the American element in the Company?

Answer—Not of my own knowledge. I apprehend it must have been during the Session of 1872.

Question—After the failure of the negociations for bringing about the amalgamation, what course did the Government then determine upon?

Answer—They determined to avail themselves of the Act which had been passed during

the previous Session, in contemplation of such an event, and to form a company under this Act; a company composed of the wealthiest and most influential men in the country, giving to each Province a representation on an analagous basis to that which prevails in the Privy Council. Five members from the Province of Ontario, four from Quebec, and so on, it being considered that the Privy Council fairly represents the importance and influence of each Province.

That charter was granted in consequence of the failure to amalgamate, but very many of its provisions would have found their way into the contract, with either of those companies, or into that with the united one, supposing we had dealt with an amalgamated company.

Question—What was the fundamental principle of that charter with respect to the distribution of stock: how was it to be divided?

Answer—It was an approximation of the representation of the different Provinces composing the Dominion.

Question—In the choice of the Directors of the Company as representative men from the different Provinces was there any preference or advantage given to one over another?

Answer—None: and the desire was to get into the Company men of standing, men of capital and men of Railway knowledge. The Government also desired to procure from the several Provinces the best men of respectability, standing, wealth, or railway knowledge.

Question—Was there any inequality among themselves as to the footing on which they stood as Directors?

Answer—None whatever.

Question—Were the terms upon which this charter was granted and on which the contract was based more or less favorable than the terms contemplated by the Government at the beginning?

Answer—They were the same terms in so far as these terms would be deduced from the Act of Parliament. Where the Act did not prescribe terms the object was to make the charter as perfect as possible, and to absolutely exclude the possibility of Americans having any control, and so frame it as to make it secure the objects we had in view. We spent a great deal of time over it, and so far as my knowledge and ability enabled me to judge, I believe that that charter was made as perfect in these respects as it could be made. The charter was intended to exclude American control, to retain control of the lands and money subsidy, to enable the Government to make a safe disposition of that money, and generally to accomplish the objects which the country had in view in the granting a charter for the construction of the Pacific Railway.

Question—What time was the draft of that charter made?

Answer—The charter, when I was first asked to take any part in it, was in draft, it was I should say, about the middle of January. It was completed on the fifth of February. It had been submitted on behalf of the Government to Sir John A. Macdonald and myself; and on behalf of the railway company, to Mr. Abbott. We spent a great many days over it, discussing the various points; some put forward by Mr. Abbott on the part of the company, that such a clause was too stringent, and another clause did not give the advantages which he considered they ought to have, and so on. These clauses were discussed for several days, Mr. Abbott consulting now and again with the persons who were to be Directors of the road.

Question—On what calculation or data was the price fixed for the construction of this railway.

Answer—We did not fix the price; we fixed our contribution to it. It was fixed by statute that the country should give the company undertaking the works $30,000,000 and 50,000,000 acres of land.

Question—On what data were these fixed?

Answer—They were fixed by Parliament.

Question—Have you any knowledge personally to state whether the contract given would be a profitable one to the contractors or not?

Answer—No, I have not. I may state that the data on which the $30,000,000 in money was fixed was 3,000 miles of railway at $10,000 a mile.

Question—You have seen the printed letters of Mr. McMullen you say, with the exception of one?

Answer—I have.

Question—Do you know anything of the sums of money which are mentioned there as having been disbursed by Sir Hugh Allan?

Answer—I do not.

Question—These sums are $8.500, to Sir John Macdonald, and Sir Francis Hincks, and a large sum of money to newspapers, and a sum promised to the Honorable Mr. Langevin; do you know anything about these sums of money?

Question—Nothing whatever.

Question—Do you know anything about the matters alluded to in Mr. McMullen's letters?

Answer—No. I was present at none of the interviews. I never saw Mr. McMullen.

Question—Have you any knowledge that Sir Hugh Allan advanced $200,000 as stated in Mr. McMullen's letter?

Answer—No.

Question—Do you know anything about the sums of money alluded to, that is money advanced for the purposes of the Elections?

Answer—No, I know nothing about those sums—Nothing whatever.

Question—Do you know anything about money payments to different individuals?

Answer—No.

Question—At the conclusion of this last letter of Mr. McMullen's, I find it printed in these terms: "From Sir George Cartier to Mr. Abbott, dated August 24th, 1872. In "the absence of Sir Hugh Allan, I shall be obliged by your supplying the Central Com- "mittee with a further sum of $20,000, upon the same conditions as stated by me at the "foot of my letter to Sir Hugh Allan, of the 30th ultimo. (Signed) George E. Cartier. "P.S.—Please also send Sir John A. Macdonald $10,000 more on the same terms." Do you know any thing about that letter?

Answer—Nothing.

Question—Do you know anything about the $20,000 mentioned in it?

Answer—I was in Kingston immediately after Sir John A. Macdonald's election, and I understood from him, that a certain sum of money had been contributed towards the elections in Ontario by Sir Hugh Allan. I had no personal knowledge of the matter.

Question—Have you ever seen these telegrams which have been published?

Answer—I have not.

Question—Have you not seen one from Sir John A. Macdonald to Mr. Abbott in these terms: "I must have another $10,000, will be the last time of calling. Do not "fail me?"

Answer—No.

Question—Nor the answer of Mr. Abbott—"Draw on me for $10,000."

Answer—No. That telegram purports to be sent from Toronto.

I did not see Sir John after he left Kingston. I know absolutely nothing of them.

Question—Have you any knowledge as a matter of fact, that there was any money supplied for the elections by Sir Hugh Allan?

Answer—None, except the knowledge I have mentioned.

Question—Have you any knowledge concerning the elections in Montreal, and in the Province of Quebec?

Answer—None.

Question—Have you any knowledge of any understanding between Sir Hugh Allan and the Government, or any Member of the Government, that money should be furnished for supporting the elections?

Answer—None whatever. The Government is charged as I understand with having made a corrupt bargain with Sir Hugh Allan. Now I think that I am in a position as a Member of the Government, and having been particularly concerned in this Pacific Railway Charter, to say that there was no such bargain with Sir Hugh Allan or his associates, either corrupt or incorrupt. There was no bargain to give them or any one the Contract at all.

I do not believe that Sir Hugh Allan had any sort of understanding beyond that one given by Sir George Cartier, which was given by him on one day and repudiated by Sir John A. Macdonald on the next. I saw Sir John's telegram to that effect immediately afterwards. Beyond that I do not believe that Sir Hugh Allan had any understanding with the Government, or that there was any bargain, either corrupt or incorrupt, to give him or any body else this contract until the Charter was about being signed, that would be perhaps the end of January or the early part of February. I am persuaded he had no such understanding. I say this because the allegation is that a corrupt bargain was made either before or during the Session, or at the time of the elections, and I know that during all that time the Government made no bargain to give the contract to any one. I was engaged in Toronto endeavoring to bring about the amalgamation of these two companies as late as October, and I know that Sir John A. Macdonald was there for the same purpose as late as November, and it was nearly the end of November before we were satisfied that an amalgamation could not be brought about. When I was in Kingston I saw the telegram from Sir George Cartier giving the terms of the arrangement, which, if I rightly remember, were that the amalgamation of the two companies should be brought about and the contract given to the amalgamated Company, but failing that it should be given to the Canada Pacific. These facts were communicated to Sir John A. Macdonald, and he immediately sent a telegram back stating that he would not assent, and that he would go down to Montreal.

I am satisfied there was no bargain with any one to get the contract until it was absolutely given at the end of January, 1873:

Question—That letter from Sir George Cartier, dated 24th August, 1872, which I have read to you, contains an allusion at the close of it, to "the same conditions as the amount written by me at the foot of my letter to Sir Hugh Allan, of the 30th ultimo." Have you seen that letter?

Answer—I have not.

Question—Do you know where it is?

Answer—I do not know of my own knowledge. I understood some time ago that it was in the hands of Sir Hugh Allan. I never saw it.

To Sir John A. Macdonald, through the Chairman:

I was not present at any interviews between the Cabinet and Mr. McMullen. I never saw him.

I was aware that there were two interviews, but I was absent on both those occasions.

The charter was the result of the failure to amalgamate. I don't mean to convey the idea that the terms of the contract with the amalgamated company, had there been an amalgamation, would have been different from the terms in the charter. I presume that the charter would have been much the same. We were anxious to make the best charter we could and to carry out the wishes of the country in relation to the railway. Whether the amalgamation had taken place or not; whether it had been arranged by the Inter-Oceanic Company or the Canada Pacific, or by a chartered company, in any case it was the policy of the Government that the terms should be as I have mentioned, and as are contained in the present charter. That was the policy of the Government immediately after the Session of 1872.

Question—You say you were aware, and that you had means of knowing, as a member of the Government, that there was no bargain, corrupt or incorrupt, with Sir Hugh Allan, before the elections or before November?

Answer—None whatever.

Question—Could there have been such a bargain without your knowing?

Answer—It could not be without my knowledge.

Question—Supposing any one of the thirteen ministers had made any agreement with Sir Hugh Allan, would it have been of any value whatever?

Answer—Not unless it had been yourself. It would have been of no value. In such event, I apprehend, if any one of your colleagues could not have concurred in the advice which, in that case, you would have given His Excellency, he would have been obliged to retire.

Question—Except myself, any agreement made by a member of the Government with any party would be so much waste paper unless it was sanctioned by the Government?

Answer—That is my opinion.

Question—If Sir George Cartier had made any arrangement with Sir Hugh Allan at Montreal or elsewhere, you say it would have been futile?

Answer—If Sir George Cartier had made such an arrangement and it had not been accepted by his colleagues he would have been obliged to retire or have given it up and sacrificed his own views.

Question As a matter of fact, and in justice to Sir George Cartier's memory, do you know, as one who was socially and intimately acquainted with Sir George Cartier, what his sentiments were with respect to the introduction of American capital into the Pacific Railway enterprize?

Answer—Very strong against the admission of either American capital or control. The idea then was not opposition so much to American capital as to Americans controlling the road. He took the extreme ground of excluding American capital as well as American capitalists.

Question—From the conclusion of the session to the granting of the charter did the Government policy vary for a moment with respect to excluding American capitalists and American control?

Answer—Not for a moment. I think the only Member of the Government who at any time held different views was Sir Francis Hincks, but finding his colleagues unanimous in the other direction he yielded his views.

He saw as well as his colleagues that the feeling of Parliament was decidedly opposed to American connection.

Question—Then he yielded to the sentiments of others.

Answer—Yes; I think the fixed policy of the Government during the whole period, from the end of the session of 1872 to the time the charter was granted, was to exclude American control, and to give the charter to Canadian or British capitalists, in order to make it a national work, and to carry out national views and objects.

Question—Was it not also the fixed policy of the Government that the company which should be entrusted with the building of the Pacific Railway should not be a sectional one.

Answer—Yes; the desire was to embrace important interests in the different Provinces of the Dominion, and to get each Province as much as possible represented by men of standing, wealth, and railway knowledge. This was done in order to prevent sectional jealousies, which might impair the progress of the work.

Question—Do you know, as a matter of fact, that the existence of the Government greatly depended upon there being no sectional differences, and would not the Government have been greatly endangered by bringing in a sectional company.

Answer—I think so.

Question—Would it not have been impossible to exclude either Ontario or Quebec?

Answer—Impossible. I believe that was the reason why in the very early stage of the matter, I apprehend before the close of the Session of 1872, it was considered to be impossible to give the contract either to the Canada Pacific, Sir Hugh Allan's Company, or to the Inter-Oceanic, Mr. Macpherson's Company. If it were given to Sir Hugh Allan's Company it would exclude many representative men from Ontario, Mr. Macpherson's Company being comprised principally, though not wholly, of Ontario men.

If the contract were given to the Inter-Oceanic Company it would have excluded representative men from the Province of Quebec, who were in Sir Hugh Allan's Company, and who considered him as their representative in Railway matters, and who had put him forward as the head of the organization and as the mouthpiece of their views and wishes. I think very early it became quite clear that the Government could not proceed and deal with either Company but must endeavor to procure an amalgamation, and so deal, if possible, with the Dominion at large.

It was a matter affecting not only the interests of the railway, but the political existence of the Government.

I am convinced that the Quebec interests could not have been excluded from any arrangement for building the road.

Question—If so, could Sir Hugh Allan have been excluded?

Answer—No.

Question—Why?

Answer—Because he was put forward as a leading representative man. He was a prominent business man and had been largely engaged in promoting the Northern Colonization Railway and for two or three years he had put himself forward as the leader of Lower Canada in Railway matters, and was accepted as such by Lower Canada.

Question—Are you aware that a deputation from Lower Canada—Montreal—came up to Ottawa and saw Sir George Cartier to insist that Sir Hugh Allan be viewed as the representative man of Lower Canada.

Answer—I was not aware of it.

Question—You were not aware that Mr. Hudon, and Sheriff Leblanc, came to Ottawa for that purpose?

Answer—No, I am not.

Question—Sir Hugh Allan is an exceedingly wealthy man, is he not.

Answer—Yes.

Question—What is he reputed to be worth?

Answer—From $500,000 to $600,000 a year, I have heard it reported.

Question—Reference has been made to Sir George Cartier's letter, and to my telegram to him repudiating his quasi arrangement. You were at Kingston at the time I received his telegram. I suppose you saw it almost at the time I received it?

Answer—The same day or the next.

Question—Do you remember my repudiating it at once?

Answer—Yes, and also of your telegraphing that you would go down to Montreal, at once, and of your making preparatory arrangements with me to go down if necessary that night.

Question—My Election was then going on was it not?

Answer—I think this was during the nomination week.

Question—So I made arrangements with you, to enable me to go down and break up such an arrangement, and asked you to attend to my interests in my absence?

Answer—Yes.

Question—Did you see the answer to my telegram?

Answer—Yes.

Question—The arrangement stood according to my previous telegram?

Answer—Yes; the only thing you said, I think, was that the influence the Government had on the Board would be used to get Sir Hugh Allan made President.

Question—You assented to that and thought it reasonable that the wealthiest man in Canada, and the oldest on the Board, should be President?

Answer—Yes; and also because he was the first person who came forward as a Canadian, and took an interest in the project, and was willing to embark his means in it.

Question—Had Sir Hugh Allan any special reason for desiring the extension of railways westward?

Answer—I don't know, except that he was largely interested in the Northern Colonization road.

Question—Was he not also largely interested in steam transportation?

Answer—Yes.

Question—Are you not aware that there was an attempt made to get up a rival company in England?

Answer—I have heard so.

Question—Under whose auspices?

Answer Of the Grand Trunk Railway, I understood. It was however a mere rumor.

Question Did that present a cause of fear to Sir Hugh Allan that the Steamship line might be excluded from the Western traffic?

Answer—It may have been so. I never had any conversation with him on the subject, but I understood that he had those views.

Question—Are you not aware that he was also interesting himself very much, and pressing on public attention a road still further west than the Northern Colonization Railway. The Toronto and Ottawa Road?

Answer—Yes, it was to be a Road to run from here to Carleton Place and Peterborough, through the interior of Upper Canada, and come out to the lake at Toronto.

Question—The fact is Sir Hugh Allan had determined upon the extension of the Railway system, and desired to connect himself with it?

Answer—I understood from general report that he had the idea of a Railway system from Montreal westward independent of the Grand Trunk Railway.

To the Commissioners:

I understood you to say that the terms of the Charter were finally settled some time in the latter end of January?

Answer—Yes.

Question—You mentioned also that you had several interviews with Mr. Abbott, as representing that Company.

Answer—Yes.

Question—And his praying that certain alterations might be made.

Answer—Yes.

Question—Did that touch the question of the exclusion of American control.

Answer—It did not. That was a conceded point before we sat down.

Question—Did the Government in any way concede the point in regard to American control?

Answer—Not in any way, and he did not desire it. It was a conceded point that it should be excluded before we sat down, and our desire was to frame a charter so as to make that secure, and he was equally anxious with us that it should be so.

Question—What was the nature of the alterations he suggested?

Answer—I can hardly remember. He may have suggested forty or fifty.

Question—What principle did they affect?

Answer—There was a great deal of detail as to the mode and rapidity by which the $30,000,000 were to be paid, whether the payment was to depend on the construction of certain sections or upon a certain quantity of labor on several sections, and how fast it was safe for the Government to pay it out. He endeavoured to get stipulations for this money to be paid out as rapidly as possible. Sir John Macdonald and myself, on the other hand, endeavoured not to have the money paid until assured evidence had been effected that value had been received for it by the country. And in the same way with regard to lands, his object being to obtain the land as quickly as possible, while our desire was that it should be granted only as the construction of the road progressed. What I mean to say is that he endeavoured to obtain some mode of determining the rate of progress in the work, more favorable than that of leaving it to the decision of the Government or its engineer. It was understood that the payments were to be dependent on the rate of progress. Then as to the way the land was to be dealt with as to the possibility of its being used, in any way injuriously to the interests of the country at large; as to the mode and rapidity of its being patented and a variety of questions of like nature which must occur in a large national undertaking, came up from day to day.

Question—On how many occasions were you present when Mr. Abbott also was present?

Answer—In the discussion of this charter, we may have spent the best part of seven or eight days.

Question—Were you there on the first occasion?

Answer—I was there every time.

Question—On that occasion was there anything said with respect to American control or did he claim that any alteration should be made in that part of the Charter which was to exclude American control?

Answer—No. It was a conceded point before we sat down, that it should be excluded, and there was no effort made on his part to get the charter changed on that point.

Question.—That referred to American Capitalists, as well as American control?

Answer—Yes. Whatever Sir Hugh Allan wished, or may have done originally with his friends, Mr. Abbott, as his representative, and that of the companies said he and they had entirely abandoned any intention of having American interests introduced, and Mr. Abbott, was equally anxious with Sir John Macdonald and myself to prevent the possibility of this control or influence being brought in.

Question—Can you state what was the date of the first interview between the members of the Government, and Mr. Abbott, in relation to the final settling the exact terms of the Charter?

Answer—I should say towards the end of January, probably about the 20th. I do not remember whether the time was given consecutively or not. I think Mr. Abbott may have had occasion to go to Montreal once or twice.

Question—In what form was the draft, I mean was it a rough draft?

Answer—It was originally in manuscript, and at the time it was presented to me, it was in type—in galley.

To Sir John A. Macdonald through the Chairman:

I think it was the end of January that Mr. Abbott was put in communication with you and myself, but the communications and negociations had been going on long before that. What I was asked was as to the interviews which resulted finally in the settlement of the charter.

Question—The draft of the charter commenced with a few headings, and by degrees expanded and became more and more worked into details, until at last we sat down and framed the charter?

Answer—It was set down in detail, printed in galley, revised and reprinted. I think it was printed four or five times, as the alterations were going on before it was finally settled.

I desire to add one word. In that last letter which Mr. McMullen publishes he says, I think, with reference to a bill or note made by Mr. Hillyard Cameron, that it was renewed by the Merchants Bank, and says that the renewel was at the instance of the Government after a visit of the Postmaster General to Montreal. I was the Postmaster General at the time, and am the person to whom he referred, and I wish to say that the insinuation conveyed by that paragraph is false; that I knew nothing of the renewal of Mr. Cameron's paper, and that no visit of mine to Montreal had any reference to any such renewal, nor did I ever ask any one to renew such a note.

And further for the present deponent saith not.

And on this sixteenth day of September re-appeared the said witness and made the following addition to his foregoing deposition: At the close of my deposition I spoke of a statement which Mr. McMullen had made in a letter that I took some part in having a note renewed which had been made by Mr. Hillyard Cameron. I was speaking from memory as to what Mr. McMullen had stated. Since I gave my testimony I have looked up the statement as it appeared in the papers, and I find his statement is not as to the renewal of a note but as to the inception of it. The statement is: "And now let me add one more fact which "will illustrate the position of the Committee and of the absolute control which the accused "and their friends have exercised over it. Outside of the amounts which may have been "furnished him by Sir John A. Macdonald, the Chairman of the Investigating Committee "applied through the Premier for a loan of $5,000 when the elections were all over, and Sir "Hugh Allan supposed that he was through paying, and he objected, but after a personal "visit of the Postmaster General to Montreal, and urgent letters and telegrams of Sir "John, who announced that it was to help us, the thing was done."

I desire to say in reference to the inception of the note and the original loan, that the insinuation of any visit of mine to Montreal had anything to do with it is false. I knew nothing of such a loan, and no visit of mine to Montreal had anything to do with it.

Question—Did you visit Montreal about that time?

Answer—I can hardly tell. I never spoke to Sir Hugh Allan on the subject, nor to any officer of the Merchant's bank. I was not aware until long afterwards that there was such a discount.

Question—Do you know of Sir John A. Macdonald having written to Sir Hugh Allan in respect to this note?

Answer—I do not of my own knowledge.

Question—Do you know of any telegrams; did you send any telegrams respecting this matter?

Answer—None, nor do I know of any having been sent.

Question—Do you know of any application by Mr. Cameron to any member of the Government to assist him in obtaining this discount.

Answer—Not of my own knowledge, but I believe there was some communication on the subject, and that Sir John Macdonald did assist him to get this discount; but I have no personal knowledge of it.

And further for the present deponent saith not.

And on this 17th day of September, reappeared the said witness and continued his deposition as follows:

The amount which I learned from Sir John A. Macdonald in my conversation with him at Kingston as that which was to be contributed by Sir Hugh Allan to the Ontario Election fund was $25,000. This was after Sir John's own election.

Question—Did you hear of any other sum being promised by Sir Hugh Allan?

Answer—I did not until after these discussions took place in the newspapers.

Question—Did you from any other Member of the Government?

Answer—I did not, until as I have said, these matters became rife in the newspapers.

Question—Do you know at any time of any other sums being furnished by Sir Hugh Allan, than the $25,000?

Answer—Not until those newspaper reports came out. But afterwards I did hear so from the conversation I had with Sir John A. Macdonald himself.

Question—Did it then come to your knowledge that further sums had been subscribed by Sir Hugh Allan?

Answer—Yes; there were sums in the aggregate, which amounted to $45,000.

Question—For the Province of Ontario?

Answer—Yes.

I desire, with the permission of the Commissioners, to add that on my visit to Toronto and in the interviews I had with Mr. Macpherson to bring about the amalgamation between the two companies, I did not desire to make any stipulation as to who was to be President, nor did I desire to make any stipulation upon the subject of the Presidency. It was Mr. Macpherson who desired it to be stipulated that Sir Hugh Allan should not be President.

Question—Upon the grounds he stated?

Answer—Yes.

I desire to say further that I have had no correspondence whatever, with Mr. Abbott about the amount or mode of distribution of any election fund of which Sir Hugh Allan was the chief or sole contributor, or of any other election fund whatever.

I make this statement, as I see in the Montreal HERALD it is suggested that such a correspondence took place, and I desire to contradict it.

Question—Had you any correspondence with Sir Hugh Allan?

Answer—No, not with any body.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein and hath signed.

Sworn and taken on the fifteenth day of September, 1873, and acknowledged on the seventeenth day of said month and year.

(Signed) A. CAMPBELL.

(Signed), CHARLES DEWEY DAY,
Chairman.

" A. POLETTE,

" JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa. } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this fifteenth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

THE HONOURABLE PETER MITCHELL of the city of Ottawa, who being duly sworn deposeth and saith:

I am a Member of the Privy Council, and Minister of Marine and Fisheries in the Dominion Government.

Question—I will read to you the terms of the charge which the Commission is enjoined to enquire into, the first clause of which is as follows: "That an agreement was made between "Sir Hugh Allan, acting for himself and certain other Canadian promoters, and G. W. "McMullen acting for certain United States Capitalists, whereby the latter agreed to furnish "all the funds necessary for the construction of the Pacific Railway, and to give the former "a certain percentage of interest in consideration of their interest and position. The scheme "agreed upon being ostensibly, that of a Canadian company, with Sir Hugh Allan at its "head." Have you any knowledge of any agreement or negociation of that kind?

Answer—No, not of my own personal knowledge. I have such knowledge as the public prints have lately afforded.

Question—Is all your knowledge confined to that which you have derived from the press?

Answer—Entirely so.

Question—Were you not aware at any time previous to the publishing of the correspondence that such negociations were going on?

Answer—I was aware from public rumors that Mr. McMullen and Sir Hugh Allan had some intercourse in relation to this matter, and that they had talked of arranging some plan by which American capital could be acquired. That information I got from Mr. McMullen himself.

Question—You know Sir Hugh Allan and Mr. McMullen, do you not?

Answer—Yes; I know both of them.

Question—And the information you possessed in regard to these negociations was derived from Mr. McMullen himself?

Answer—Yes, as to the fact that such negociations were going on. I never had any conversation with Sir Hugh Allan on the subject.

Question—Were you present at any interviews between the members of the Government and Sir Hugh Allan and Mr. McMullen?

Answer—I was present at one interview with Sir Hugh Allan, Mr. McMullen, and I think Mr. Smith, but I am not sure whether Mr. Smith was there or not. I don't remember the date, but it was the first interview which Mr. McMullen in his published letter states that I was present; although I don't know whether it was the first or second interview except from what I have seen in the papers.

I think it was the interview which McMullen states in his letter took place early in July, 1871, at which I was present. It will be in the one where he states I was present.

Question—This interview at which Mr. McMullen says you were present, took place the 5th October, was that the one?

Answer—I presume so.

Question—What passed on that occasion?

Answer—Not very much. I understood that these gentlemen came there to make some proposition to the Government, and that he asked an interview with the Government for that purpose. They got the interview, and the substance of what took place was, that when the gentlemen obtained the interview, and the ordinary courtesies had been gone through. Sir Hugh Allan was asked by Sir John A. Macdonald if he had any proposition to make to the Government. Sir Hugh asked the question in reply, "If the Government were in a position to entertain a proposition if he made one?" and Sir John, on behalf of the Government, stated "that the Government were not in a position to accept a proposition" if made at that stage of the proceedings, and Sir Hugh Allan then declined to make any proposition. Very shortly afterwards they bowed themselves out in the ordinary course, as there was no business to be done.

Question—Was there any discussion at that time concerning the source from which the capital was to be derived?

Answer—Not between the Council and Sir Hugh Allan and his associates. I think that the discussion that took place during the interview was exceedingly limited, and almost entirely confined to Sir John A. Macdonald and Sir Francis Hincks, on behalf of the Government. There was a discussion also amongst members of the Government after they had left.

Question—Was Mr. McMullen understood to be representing American capitalists on that occasion?

Answer—I do not know. I understood so myself from what I had heard, but I am not sure whether Mr. McMullen told the other members of the Government or not. I think the conversation was mainly, on their side, confined to Sir Hugh Allan. After they left, the question about American capital was raised and discussed by the cabinet, and the opinion of each member present was given on that occasion.

Question—What was the view generally taken?

Answer.—With the single exception of Sir Francis Hincks, every gentleman was opposed to the admission in any way of American control, and that Americans should have no interest in the construction of the road. Some gentlemen were against American capital too. My own opinion was exceedingly decisive on that point. At the first interview with Mr. McMullen, I told him that I would never consent to the Americans having control of our national Road. He spoke of the influence of Sir Hugh Allan in the country, and of his great wealth. I said that Sir Hugh Allan was not all Canada, and I told him that I did not think that my colleagues would consent. After that, Mr. McMullen had very little to say to me.

Question—It was then the settled policy of the Government at that time to exclude American capital?

Answer—It was, with the exception I have mentioned, and I accepted it as the settled policy of the Government.

Question—Do you know anything of the correspondence which took place between Sir Hugh Allan and Mr. McMullen?

Answer—Nothing whatever, except what I have seeen in the public prints. I saw none of the original letters. I was told by a member of the Opposition, with whom officially, I am often brought in contact, that there was a correspondence of a most damaging character between Sir Hugh Allan and Mr. McMullen. He offered to show it to me, but the next day he informed me that he could not get it. I could not believe it myself, and I felt that there was a misrepresentation made in relation to it.

Question—Was this the only interview at which you were present when Mr. McMullen was also present?

Answer—I think so.

Questtion—Have you had any conversations with Mr. McMullen apart from that interview?

Answer—On two or three occasions when he was here. At the conversation which took place in Chicago, I gave a very decided expression of my own opinion as to Americans being permitttted to have any control of our Pacific Railway.

On several occasions afterwards, I think when Mr. McMullen was here, or at least once or twice when he was here, he spoke to me of the progress of their work and seemed to feel very confident about it.

I always told him what my opinion was on the subject.

Question—Are you prepared to say that the Government or any Member of the Government never gave him any encouragement or favor in this project or enterprise, so as to induce him in any way to believe that American capital would be admitted in the building of the road?

Answer—I am prepared to say the Government never did, and except what Sir Francis Hincks said, I am not aware that any member of the Government did. There was no encouragement nor any insinuation of any kind, that Americans would be permitted to have any interest in the construction of the Railway.

I only speak of my own opinion, and of what transpired in the Council Chamber. I am satisfied in my own mind that no expectation could have been held out that American control would be permitted.

Question—Have you any knowledge of any negociations that took place for the bringing about of an amalgamation between the Inter-Oceanic and the Canada Pacific Companies?

Answer—I took no part in such negociations. I was aware that negociations were going on, but what the particulars were I did not exactly know. All I know was this that it was the desire of the first Minister to bring about such an amalgamation and that opinion was coincided in by all of his colleagues.

Question—Who took an active part in these negociations?

Answer—Sir John A. Macdonald, Hon. Mr. Campbell, and perhaps Sir Francis Hincks? I dont think Sir Francis took part so much as the others.

Of course the other Members of the Cabinet stated their views and approved or disapproved as it struck their minds at the time that the steps were taken or proposed to be taken.

These negociations began, if I recollect right shortly after the elections, or it may have been during the Session of 1872.

The Session of 1872 closed, I think, early in June.

The result of the negociations, as I understood, and as I learned in the Council, was that they failed. Mr. Macpherson declined to accept the terms of amalgamation as proposed.

I had no personal interview with Mr. Macpherson nor with any other gentlemen of the Inter-Oceanic Company. I took no personal part whatever outside of what took place in the Council. I took no part in the negociations for amalgamation.

Question—Did you take any personal part in the framing of the Charter?

Answer—No. The framing of the draft of the Charter was almost entirely conducted by Sir John A. Macdonald himself, with Mr. Campbell on the part of the Government. The part that I took in the Charter was this: After the first draft was made it was submitted to the Cabinet. We went over the Charter section by section and clause by clause, and spent days over it, sometimes discussing the phraseology and at other times discussing matters of detail. A good deal of difference of opinion was manifested by the different members of the Cabinet in regard to the details. But one prominent point was always kept in view as to how we could best accomplish the satisfying of the public mind that American control was excluded from the Charter. Outside of that I took no part in the framing of the Charter.

Question—The determination of Government to issue that charter—when was it arrived at?

Answer—My impression is that it was immediately after the return of Sir John A. Macdonald from Toronto.

I think that was late in the fall of 1872; we had several discussions about it in the Council before that decision was come to. My impression is, although I am not confident

about it, that the determination to issue that charter was fixed upon in the month of December, that was after the failure of the negociations, at least that seemed to be the settled sentiments of the Government, but it may not have been settled upon before January.

Question—Was it in consequence of that failure that they determined upon that course?

Answer—It was as the only means left open to the Cabinet for carrying out the wishes of Parliament.

Question—Was that contract given under that Charter under any more favourable terms than had been previously contemplated by the Government?

Answer—None that I am aware. It was on very much less favourable terms than Sir Hugh Allan asked. My recollection is that Sir Hugh Allan asked a greater amount of money and a larger quantity of land.

Question—Had Sir Hugh Allan any advantage over his co-directors?

Answer—I know of none.

As a member representing one of the smaller provinces, my anxiety was to see that Sir Hugh Allan got no advantage. Both Mr. Tilley and myself, I believe, gave very special attention to that point, and I saw no desire on the part of the Government to give him any special advantage, but on the contrary, looking upon him as a very wealthy man representing the sentiments of a large portion of Quebec, we felt that the great danger was of any man in his position having too much power, for that reason we specially guarded against it.

Question—Another portion of the charge is, "that subsequently an understanding was come to between the Government, Sir Hugh Allan, and Mr. Abbott, one of the members of the Honourable House of Commons of Canada, that Sir Hugh Allan and his friends should advance a large sum of money for the purpose of aiding the elections of ministers and their supporters at the ensuing general elections, and that he and his friends should receive the contract for the construction of the railway;" do you know anything about an understanding of that kind?

Answer—I do not.

Question—Was any such understanding made with the Government?

Answer—None that I know of.

None was ever heard at the Council Board when I was there. I know none was made with the Government. What might have taken place with individual Members of the Government I cannot say. I could not but have been acquainted with it if it had been made with the Government. The whole course of the negociations and transactions ignored the possibility of any such contract having been made.

Question—Do you know whether any such understanding was come to between these gentlemen—Sir Hugh Allan and Mr. Abbott, and any Member of the Government?

Answer—I do not know of any.

Question—Do you know whether any money was in fact subscribed by Sir Hugh Allan or Mr. Abbott?

Answer—I do not know of a dollar being subscribed, except from what I have learned in the public prints.

Question—Do you know whether money was subscribed by any person for the promotion of the elections in 1872 in Quebec or in your own Province?

Answer—I do not know of a dollar except a small sum I authorized a friend to subscribe for me, to one of the elections in our Province.

Question—Do you know of money having been received from Quebec for promoting the elections in your Province?

Answer—I never heard of a dollar having been received; nor do I believe that there was a single shilling given to our Province for any such purpose. If there was I am entirely ignorant of it.

Question—Do you know anything of a printed letter purporting to be a letter from Sir George Cartier to Mr. Abbott, dated the 24th of August 1872, which is as follows: "In the

"absence of Sir Hugh Allan, I shall feel obliged, &c.," do you know anything about that letter?

Answer—I do not, nor did I ever see it until I saw it in one of the Montreal papers.

Question—Do you know anything of the letter alluded to in this letter as being of the 30th of July?

Answer—I do not. I never heard of it until I saw it in the public prints.

Question—Do you know anything of this telegram which reads "I must have another ten thousand, &c.?"

Answer—I know nothing of it, or of it or of any other telegram of that character; I never heard of it until I saw it in the newspapers.

To Sir John A. Macdonald, through the Chairman.

Question—What was Sir George Cartier's opinion as to the admission of American capital into this enterprise?

Answer.—He was always hostile to allowing American capitalists to be interested in it. His opinions were very decided, and suffered no variation from the beginning. I learned his opinions by his statements at the Council Board, and also visiting occasionally at his house, and in private conversation with him. I occasionally met him at dinner, and I never found but the one opinion entertained by him. And like myself, he was very decided in his opinion on this point.

Question—Who selected Mr. Burpee to be a Director on the Canadian Pacific Company?

Answer—Mr. Tilley and myself. I never spoke to Sir Hugh Allan in relation to this subject, and certainly not in relation to Mr. Burpee's appointment. The ground of our selecting Mr. Burpee was, that we considered him the most prominent representative railwayman in our Province, and that he would act independently of Sir Hugh Allan. We did not wish that the interests of New Brunswick should be overlooked, and we were anxious to select a man that would represent the interests of New Brunswick at that Board. We selected Mr. Burpee for the purpose of watching Sir Hugh Allan, and to hold out against him if he were inclined towards the Americans. Mr. Burpee was aware of this, and I think sympathized with that feeling himself. There was one opinion entertained by Mr. Tilley and myself, and that was, that with the great wealth and influence of Sir Hugh Allan the interests of our Province should not be overlooked.

Question—Do you know, or do you not, whether Sir Hugh Allan was favourable to Mr. Burpee's appointment when he heard of it?

Answer—I had no means of knowing, but I understood that he was adverse to the selection of Mr. Burpee. I had no conversation with Sir Hugh Allan on the subject, I learned this from outside rumour.

And further for the present, deponent saith not.

And on the 16th day of September, the said witness re-appeared and made the following addition to his foregoing deposition.

In answer to a question put me as to the exact views entertained by Sir Francis Hincks in relation to the admission of American capital or control in the building of the Pacific Railway, I say that I understood Sir Francis had no objection to any person building the road. My impression is, that Sir Francis looked upon the undertaking as one that so far from being a benefit to the contractor would be a loss, and he was anxious that any person would undertake the building of the road. Sir Francis would not, I think, have objected to Americans having control in the building of it. But afterwards Sir Francis coincided in the views of his colleagues, that it was desirable to exclude American control. But previously he looked upon it as so bad a speculation that he would be glad to see Americans or any one else undertake it. He was quite ready to see it built by any person. After the matter, however, was discussed, he coincided in the general views of the majority of the Government.

And further deponent saith not, and this his deposition having been read to him he declares that it contains the truth, persists therein and hath signed.

Sworn and taken on the fifteenth day of September, 1873, and acknowledged on the sixteenth day of said month and year. } (Signed) P. MITCHELL.

[Signed] CHARLES DEWEY DAY, *Chairman.*

" A. POLETTE,

" JAMES ROBERT GOWAN, *Commissioners.*

PROVINCE OF ONTARIO, *City of Ottawa.* } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to require into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this seventeenth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

THE RIGHT HONOURABLE SIR JOHN A. MACDONALD, Knight Commander of the Bath, and Minister of Justice for the Dominion of Canada, who being duly sworn, deposeth and saith:

Question—You are aware of the charges relating to the construction of the Pacific Railway, and to the raising and distribution of funds for the promotion of the elections in 1872, recited in the Commission; will you have the goodness to state to the Commission all the facts within your knowledge relating to this matter.

Answer—I suppose it had better be done as a narrative.

In the Session of 1871, Resolutions were passed admitting British Columbia into the Dominion, and it was then provided that a Railway connecting the Pacific with the Canadian system of Railways, should be constructed within ten years. At the same Session there was a resolution passed in the House of Commons, that the road should be constructed by private enterprise, aided by public subscriptions in money and lands.

There were no other proceedings that Session except a vote to defray the expenses of surveying the line, but it was understood that the Government should prepare and lay before Parliament at its next Session a scheme for the construction of the Road. The surveys were commenced and carried through during that summer, but the Government took no action for some time with respect to the construction of the Road or the formation of companies for that purpose; in fact had not prepared a scheme, when I was one day waited upon by Mr. Waddington in Ottawa.

Mr. Waddington was an English gentleman whom I knew. He formerly resided in British Columbia, and had spent a good deal of money in Railway surveys and explorations, and was an enthusiast in the matter. He told me that by his invitation, as I understood it, some American capitalists from Chicago were coming to Ottawa to make a proposition to the

Government for the construction of the Pacific Railway. I told Mr. Waddington that I thought this movement was premature; that the Government could not make any arrangements at all until it had submitted a scheme to Parliament, and obtained the sanction of Parliament. He seemed to be a good deal disappointed, and asked would I refuse to see them. I said certainly not, I would be glad to see them; and Sir Francis Hincks and myself, we being the only two Ministers then in town, saw these gentlemen. We told them that we thought their visit was premature. We said, as a matter of politeness, that we were glad to see that American capitalists were looking for investments in Canada, but that we could not enter into any arrangement or receive any proposition from any body until after the next Session.

They said that they had communicated with other capitalists in New York and elsewhere, whose names they mentioned at the time, and, I think, exhibited a list of their names to Sir Francis Hincks and myself, who were ready to co-operate with them if they could make an arrangement for the construction of the road. Some of the names I knew, some of them I did not, but have since ascertained that they were all of them men of standing and capital in the United States.

Question.—Do you recollect the names of the gentlemen present at the conference?

Answer—There was Mr. Smith of Chicago; Mr. McMullen was with him, also from Chicago. He was, however, a Canadian. I think Sir Francis Hincks mentioned other names, but I cannot recollect them at this moment.

I think there were two others.

Question.—Can you fix the date of that interview?

Answer—I cannot without reference.

Question.—It was the first interview on the subject?

Answer—Yes. The fact of these gentlemen having made this proposition called our attention, and through Sir Francis Hincks and myself the attention of our colleagues, to the necessity of attempting to get Canadian capitalists to enter upon the subject.

I first communicated with several gentlemen in Ontario, principally in Toronto, endeavoring to enlist their interest in the enterprise. I told them that it was a great pity that a great work of this kind should be carried off by foreign competitors, and if American capitalists could make it a paying enterprise, surely Canadians could do so as well. I spoke to my friends and mentioned the fact that these American gentlemen had come and made this proposition. Sir Francis Hincks, subsequently, on one of his visits to Montreal, saw Sir Hugh Allan on the subject. He did so without any arrangement or instructions from his colleagues or from myself as first minister. He did so on his own responsibility, just the same as I did to any friends that I saw. As I understood he had a communication with Sir Hugh Allan which he stated in his evidence. On Sir Francis Hincks' return to Ottawa, he mentioned that he had this conversation and I thought he had made a mistake and so did, I believe, most of the members of the Government. At that time it had not occurred to me, or I think to any one, that these American gentlemen, were in any way connected with the Northern Pacific Railway. That had not occurred to any of us. It certainly had not occurred to me, and the reason why I thought that the action of Sir Francis Hincks was premature, was that I thought that the true plan would be to endeavor to get up a strong Canadian Company, in which would be represented the Capital of the different sections of the Dominion, and after a body of Canadian capitalists was so formed, they might extend to the United States, or to England, and I thought that it would frustrate that policy, to have communication in the first place with Americans. After Sir Francis Hincks had made that communication, Sir Hugh Allan came to Ottawa, with several of these American gentlemen, Mr. McMullen again, Mr. Smith, and I think Mr. Hurlburt of Chicago. We received them in the Council Room and had some conversation with respect to the Railway, but only as a matter of conversation as to the importance of the road and its great advantage to Canada, and so on; but the only business that we did was my asking Sir Hugh Allan, who seemed to be the principal spokesman of the party, if he had any proposition to make. He told us that he had an arrangement with American gentlemen, some of whom were there, for the purpose of getting up a Company to build the Pacific Railway. I said we were desirous of getting applications and propositions of every sort from all parties who took an interest in the matter. He then asked

me if we were prepared to consider and enter upon any such proposition if he made it. We said no we were not prepared; we could enter into no arrangement at that time; we had no authority from Parliament to do so. Sir Hugh Allan said, "I, then, am not prepared to make any proposition," and then they left.

Question—Do you remember the time of that interview?

Answer—I do not. But I see it stated in one of Mr. McMullen's letters that it was on October the 5th, 1871.

Question—That is the interview to which you allude?

Answer—Yes. I cannot say whether this is correct or not, but I have no reason to doubt it.

Question—There were several Members of the Government present besides yourself?

Answer—Yes. The Cabinet was pretty full. Mr. McMullen says there were present Sir John A. Macdonald, Sir Francis Hincks, Sir G. E. Cartier, and Messrs. Tilley, Tupper, Mitchell, Morris, Aikens and Chapais.

I presume his statement in regard to those present is correct.

I would say in reference to this, that before that meeting, I see it observed in the letter of the 18th July, signed by Mr. McMullen, which appeared in the Montreal *Herald* and Toronto *Globe*, that he says that the result of the communication between Sir Hugh Allan and these American capitalists, was an interview in "Montreal early in September, 1871, by which preliminaries were settled between Sir Hugh Allan, Charles M. Smith and myself, by which Sir Hugh was to receive a large personal interest in the stock, and an amount for distribution among persons whose accession would be desirable, and that the cash instalment on such stock would be advanced and carried on by others." He goes on to say "that an interview was held by myself with Sir John A. Macdonald at the St. Lawrence Hall the day before we met Allan, at which he expressed the approval of the Government at the proposed meeting, and requested me to meet him in Ottawa." Now that is an incorrect statement. I was at the St. Lawrence Hall, met Mr. McMullen, and he told me that he was entering into negociations with Sir Hugh Allan; that they proposed to make a proposition to the Government. I heard his statement, and neither expressed approval or disapproval of it. In September we were exactly in the same position as when he had previously met us in Ottawa, and the Government were not in a position to enter into any proposition of the kind, because we had not got the sanction of Parliament.

I said we would consider any proposition that was made, when it was made. I observe also that Mr. McMullen in the same letter states "that at the meeting in October, 5th it "was at once apparent that they were not fully in accord amongst themselves, in consequence "as Sir Francis Hincks informed me, of Grand Trunk jealousy of Allan represented in the "important personage of Sir George Cartier" This is altogether an erroneous statement; we were quite in accord among ourselves, we were all in accord that we could not consider any proposition until after we had the sanction of Parliament; that we were not in a condition to make any arrangement until Parliament had authorized us to do so. In consequence of its being known that Sir Hugh Allan had entered into this arrangement with American capitalists, it was known to every one—a feeling of fear arose in Ontario especially in Toronto that the Pacific Railway might get into American hands and under American control, or might get into American and Montreal hands, and that in the construction of the Board the interests of Ontario might be forgotten or neglected.

This I think added to the urgent request of myself on frequent occasions to a number of gentlemen in Toronto, induced I think the formation of the Inter-Oceanic Company. I had spoken to Mr. Macpherson, Mr. Howland, Mr. Cumberland, Mr. Worts, and a number of other gentlemen in Toronto, to try to interest them in it, and the company was formed. Mr. Macpherson took a warm interest in the forming of it early in the autumn of 1871. The statement had got into the newspapers, and the impression had gone abroad that American capitalists were not interesting themselves in the Canada Pacific Railway on its own merits, but that they were connected with the Northern Pacific Railway, and were endeavouring to make it subservient to the interests of that Railway; and the fear arose and spread through Canada, that our railway would be made subordinate to American interests if they were admitted to any share in the enterprise. I was one of those who

participated in that fear, and it seemed to be also the opinion of my colleagues, including latterly Sir Francis Hincks when he found that the opinion was generally shared by his colleagues against the admission of foreign capital, and that the object of the Americans in getting control of our railway was to connect it with their system of railways. I think the Government became as one in the opinion that American capital should be excluded, although we had not come to any formal decision on the matter. During the Session of 1872 we found that those who usually supported the Government; that the majority of the House of Commons were of the same opinion It soon became apparent to everyone, I think, to Sir Hugh Allan who was here occasionally promoting the Bill for the incorporation of the Canada Pacific Company, that Parliament would not sanction any scheme which would involve the admission of American capital.

The Government then came to the conclusion that as there were two great bodies of capitalists, one from Montreal and the other from Toronto, both petitioning for acts of incorporation, I say the Government came to the conclusion to aid in the passage of acts of incorporation of any respectable body of persons who would apply for that purpose; and then the Government might judge afterwards which of the companies would best subserve the interests of the country, and give them the construction of the Road. At the same time we submitted to Parliament the Government Bill, to which allusion has been made, enabling the Government to give the contract to any company that might be incorporated for the purpose with provisions for the amalgamation of those companies, and with a provision, if it was thought for the advantage of the country that a Royal Charter should be granted, giving the Government the power to grant such Royal Charter. The Government Act contained a clause to enable the Government to grant a subsidy in land and money. There were two acts of incorporation passed, as has already been several times brought before your notice; one for the Inter-Oceanic Railway Company, of which the principal seat was in Toronto, and the other for the Canada Pacific Railway Company, the principal seat of which was in Montreal. So soon as the Session was over, which I think was in June, when Parliament was prorogued, the Government addressed itself to the task of attempting to procure the amalgamation of these two companies. They represented the interests principally of Quebec and Ontario, although I believe both of those companies contained names of gentlemen as Corporators, from the other Provinces. Still it was generally understood that the Inter-Oceanic Company was the Ontario Company, and that the Canada Pacific was the Quebec Company. The policy of the Government, from the time of prorogation until now, I may say, had never varied. It was that an amalgamation of these two companies should be procured if possible. We were satisfied that such was the jealousy that had arisen between the two companies, that it would be impossible to give the charter to either of these companies, that is the construction of the Road to either of these two companies. We knew that no Government could exist that would give the contract to either section. If it were given to Sir Hugh Allan's Company, the Government would be certain to alienate the support of their Parliamentary friends from Ontario, and *vice versa*; so that we spared no pains in the attempt at amalgamation. The Canada Pacific Railway Board always expressed their willingness to amalgamate. The Inter-Oceanic Board expressed an unwillingness to amalgamate. Immediately after the Session of 1872, or shortly after, I went to Toronto for the purpose of seeing my friends there who were interested in the Inter-Oceanic Company, and I pressed them as much as possible to acquiesce in the amalgamation. The elections were to come on between July and September, and we felt as a Government that is was very important to us to go to the country with a scheme perfected and an amalgamation effected with the capitalists of Ontario and Quebec, ready to co-operate in the construction of the Pacific Railway.

After talking the matter over with Mr. Macpherson and other gentlemen in Toronto, I wrote to Montreal and I asked Sir Hugh Allan to come up to Toronto, and Mr. Abbott, a Member of Parliament, and who had taken great interest in the Canada Pacific Railway, also to come to Toronto and discuss the matter with Mr. Macpherson. Sir Hugh Allan wrote me that it was impossible for him to come up, but that Mr. Abbott might. Mr. Abbott did come up, and saw Mr. Macpherson, and you will find in the evidence given by Mr. Macpherson a memorandum of the substance of the conference between those two gentlemen.

That memorandum I believe to be substantially correct from the information that I had from both of the gentlemen who attended it.

I left Toronto to go to Kingston, to attend to my own election, impressed with the idea that there were no insuperable difficulties in the way of amalgamation.

They had approached very nearly each other. There were only two points of difference. The one was the question of the Presidency, and the other was the number of the Directors. With respect to the number of Directors, it was suggested that they should be thirteen. This suggestion emanated from the Government. We took the number in the Cabinet, which was thirteen, as a sort of precedent, and it was suggested by the Government that the Board of direction should be chosen in the same way that the Cabinet had been selected; that there should be five members of the Board from Ontario, four from Quebec, and one from each of the other provinces. That is a detail in which they varied from the cabinet, as there are no representatives from Manitoba and British Columbia in the cabinet. We thought that would be a fair mode of adjusting the representation of the Board, and adequate to represent the interests of the different Provinces on the Board. I think it was Mr. Abbott's proposition on behalf of the Canada Pacific Company, that instead of thirteen there should be seventeen directors for some reason or another; that it would require a larger number of members to represent all the interests; but, as will be seen by the memorandum, Mr. Macpherson did not approve of this, but thought that this point might be yielded, although it was not, of course, so advantageous for Ontario to have seven representatives as against six from Quebec, as it would be to have five from Ontario against four from Quebec, on a Board of thirteen members.

Then, as regards the Presidency, Mr. Macpherson always held to the same position; that he did not look forward to it himself, he did not press his own claim for it in any way, but he thought that Sir Hugh Allan, from his having originally made this arrangement with the Americans, if he were placed in the position of President, from his acknowledged wealth and influence, would have too much power on the Board, and that he might exercise that power in favor of bringing in American Capital.

Still it seemed to me, that as that was really the only question, that is, the question of the Presidency—that we were very near an amalgamation, and I left Toronto, as I have said, impressed with the idea that that difficulty would be removed or could be removed, and that there would be an amalgamation.

When I was at Kingston, attending to my election, I was communicating I may say, with Sir George Cartier, giving him an account of the progress I had been making at Toronto, and my communications were always of an encouraging nature because I believed that the two companies would be amalgamated and we would get over this difficulty.

When I was at Kingston Mr. Macpherson came there either to see me, or was there accidentally, I really forget which, but he was at Kingston, and we had a discussion about it, and I found the difficulty still existing about the Presidency, and I made up my mind that there was no use in attempting to procure the amalgamation before the elections, and that matters should be allowed to stand on the terms as discussed between Mr. Macpherson and Mr. Abbott at their meeting in Toronto. I telegraphed Sir George Cartier in that sense. That telegram is set out in the affidavit of Sir Hugh Allan made in Montreal. I have however got a rough draft of it. The telegram is dated the 26th July, and is herewith produced and fyled marked "G."

I may say, with respect to the expression in that telegram, "that this should be accepted by Sir Hugh Allan:" that I had regretted to find that there had been a sort of coolness between Sir Hugh Allan, and Sir George Cartier, and not only between Sir George Cartier and Sir Hugh Allan but between Sir George and his Lower Canadian friends. They had got the idea that Sir George was not so friendly as he ought to have been to the Northern Colonization Road, in which a large number of Lower Canadians took great interest, especially the Montrealers, and of which Sir Hugh Allan was President, and that in fact they had got the impression that Sir George Cartier was throwing cold water on all those enterprises which Sir Hugh Allan had entered upon, and this of course, unless it were removed, would be fatal to Sir George Cartier, and in Lower Canada would lose him Parliamentary support, and, of course, lose the Government Parliamentary

support. The idea had been industriously spread abroad that Sir George, as being the Solicitor or Counsel of the Grand Trunk Railway Company, was not anxious to promote any Railway enterprise that might be a rival or competitor of that Railway. This was so much the case that a good deal of feeling had been created respecting Sir George Cartier's supposed course of action, and that a deputation which has been already spoken of which I am aware had come to Ottawa to press upon him so far as they could the necessity of taking an active interest in the Northern Colonization road and other railways, extending the Northern Colonization west, including the Pacific Railway, and that the Montreal interest as represented by Sir Hugh Allan, should not be ignored. I sent that telegram on the 26th of July, and I was glad to receive a communication from Montreal, I am not sure whether it was from Sir George himself, or from Mr. Abbott or Sir Hugh Allan, but from one of the three, stating that Sir George had expressed himself with respect to all these enterprises in a manner which satisfied the Montreal interest, including Sir Hugh Allan and his political friends in Montreal. And I may say here, that it was on hearing that, that any communication arose respecting election funds. When Sir George Cartier and I parted in Ottawa, he to go to Montreal and I to go to Toronto, of course, as leading members of the Government, we were anxious for the success of our Parliamentary supporters at the elections, and I said to Sir George that the severest contest would be in Ontario, where we might expect to receive all the opposition that the Ontario Government could give to us and to our friends, at the polls. I said to him you must try and raise such funds as you can to help us, as we are going to have the chief battle there. I mentioned the names of a few friends to whom he might apply, and Sir Hugh Allan amongst the rest, and that he was interested in all those enterprises which the Government had been forwarding. When, therefore, I ascertained that Sir George had put it all right with his friends, I then communicated to my friends in Montreal, Sir George and Mr. Abbott, stating I hoped they would not forget our necessities; that they would see to raise some funds for us in Ontario.

On the 30th., I think of July, I received a letter from Sir Hugh Allan, addressed to me at Kingston, stating that he had come to an arrangement with Sir George Cartier. He did not send me a copy of the arrangement itself, but he said he had come to an arrangement and had reduced it to writing, stating generally the terms of the arrangement. I was not satisfied with this. It was not in accordance with my telegram of the 26th, and although it was exceedingly inconvenient for me, for I was in the heat of my election, and was receiving a most stern opposition, I telegraphed back at once that I would not agree to it at all, but that I would go down to Montreal that night or the next night, and see them, so that there might be no mistake or misapprehension in the matter. It appears that Sir George Cartier saw Sir Hugh Allan at once, and informed him that I objected to the arrangement that had been made, and that unless the proposition contained in my telegram of the 26th July was adhered to, that I would go down to Montreal and discuss the whole matter with them. I then received two telegrams, one from Sir Hugh Allan and the other from Sir George Cartier, which I fortunately kept, which I shall read. This is dated 31st July. It is from Sir George Cartier. It commences as follows: "I have seen Sir Hugh Allan. He withdraws "the letter written to you, since you make objection to it, and relies for a basis of arrange- "ment on your telegram to me, of which I gave him a copy, &c."

I hereby produce and fyle it marked H.

At the same time I received this one from Sir Hugh Allan, addressed to myself of the same date. It commences as follows: "I have seen Sir George Cartier to-day, You may return my letter, &c.,

I hereby produce and fyle it marked "I."

That was the only arrangement that was ever made between the Government and Sir Hugh Allan, or the Canada Pacific Railway Company which he represented, and I had no discussion or conversation in a contrary sense, either from Sir Hugh Allan or any member of his company, or from Sir George Cartier, from that time until this. That was the arrangement that was made, by which till the elections were over, the whole matter connected with the construction of the Pacific Railway, should stand in abeyance, and that after the elections were over an attempt should be made to amalgamate; and that these two gentlemen

Mr. Macpherson, and Sir Hugh Allan, should meet in Ottawa, and form a Provisional Board.

I see that it is mentioned by Mr. McMullen in one of his letters, that there was a subsequent arrrangement made on the sixth of August between Sir George Cartier and Sir Hugh Allan. If such an arrangement was made I am quite unaware of it, and more than that I do'nt believe it.

I am quite satisfied that if Sir George Cartier had made any such arrangement, he would have mentioned it to me. Sir George was a man of the highest honor, and between him and myself there were no political secrets, and if he had made any arrangement of that kind respecting the railway, he certainly would have communicated it to me.

I observe that Sir Hugh Allan says in one of his letters, which has been published, dated the 6th or 7th of August, he "yesterday concluded an arrangement with Sir George Cartier." The way I read this is that by yesterday he meant a day or so before, which would be about the 30th July when he signed these papers.

After the elections were over, we renewed our attempts to promote the amalgamation of the Companies.

At my request, my colleague, the then Postmaster General, Mr. Campbell, went to Toronto, with what results you know from his own statement. Early in November, about the 7th or 8th of November, I went to Toronto, and once or twice I thought I had succeeded in overcoming the reluctance of Mr. Macpherson, but after discussing it with him frequently, and pressing all my views upon him, I had at last to leave Toronto unsuccessful in my mission. On my return to Ottawa the Government then addressed itself to the formation of a Company under a Royal Charter. As I have already stated the Government were satisfied that it would be in the highest degree inexpedient and impolitic to grant the construction of the Road to either of the incorporated companies. We came to the conclusion that we should exercise the power conferred upon us by the Government Act of the Session of 1872, and endeavor to form a company in which all the different Provinces would be represented in one, as I have mentioned. And we did grant that Charter as is known.

In the selection of the first Board of Directors and shareholders, the Government had only the one object: that of getting men who would command the confidence of the country either from being men of capital or being men of known standing, or of being men especially acquainted with the subject of the construction of Railways. The names of various gentlemen were discussed, some were originally selected and afterwards changed. At first the Government thought of some leading men who were in Parliament on account of their wealth and standing. There were several gentlemen who were selected who were members of one House or the other, but afterwards, on consideration of the whole question, the Government came to the conclusion that it would be better to exclude all Members of Parliament from the Board.

There had been a motion made in the House of Commons during the previous Session to exclude members of Parliament from the Company, and some feeling had been shown on the subject.

The Government therefore came to the conclusion that under the circumstances it would be better to exclude members of Parliament from the Directory.

And now I would state the reason, so far as I know them, why the gentlemen composing the Board of Direction were chosen.

In Ontario there were five gentlemen selected. Major Walker, of London, was chosen as being a man of standing and wealth, and at the head of the oil interest of western Canada. He had been connected with the Inter-Oceanic Company as a corporator, and he was selected as representing the western interest. At first we had asked Mr. Carling, the member for London, to be a Director, but when we came to exclude members of Parliament, Major Walker was selected in his stead. He was selected without any reference to Sir Hugh Allan, or the Quebec interest at all. I don't know whether Sir Hugh Allan was acquainted with Major Walker before or not.

Mr. McInnes was selected as a leading merchant at Hamilton. He was known to Sir Hugh Allan. He was a member of the Canada Pacific Railway Company. He is a western man, and of high standing and character, and the Hamilton interest could not be

ignored. Mr. McInnes was in England at the time, and when selected by myself, I telegraphed him by cable, and got his answer by letter accepting.

Col. Cumberland was selected as being a Railway man, and a Civil Engineer of high standing, and as being a great personal friend of myself. He was going to England at the time, and I asked him if he would agree to serve. He said he would rather not, but that I might command him either in the Company, or out of the company, if he could be of any service, and I selected him.

Mr. Sandford Fleming was selected by myself and he also went on the Board with the greatest reluctance, and it was only by my strong pressure that he consented. I may add that Sir Hugh Allan was strongly opposed to his being appointed in the Board. He did not object to Mr. Fleming, from any personal reason, but he thought that his services as an Engineer, would be of more value to the Company, if he were not in the Board. I thought that it would be a great advantage to the Company to have a man of Mr. Fleming's standing on the Board, and I insisted on his appointment.

Mr. Shanly was the last; he was placed on the Board at my suggestion. I asked him to serve on the Board. He declined at first, and he came to see me especially on the subject and at my earnest solicitation he became a member of the Board. He was a member of the Inter-Oceanic Board. The Directors for Nova Scotia and New Brunswick were selected by my colleagues in the Government from these Provinces. And I believe in both cases without communication with Sir Hugh Allan, and certainly not at his instance. With respect to Nova Scotia, Mr. Collingwood Schreiber, an Upper Canadian originally, but who had been connected with the construction of railways in the Maritime Provinces, was originally selected as a Director to represent Nova Scotia, but afterwards as Governor Archibald had returned frem Manitoba, and as he was a man of high standing and great influence in Nova Scotia, he was substituted by the Nova Scotia members of the Cabinet for Mr. Schreiber.

Mr. Burpee as Mr. Mitchell has said, was chosen by Mr. Tilley and himself, without any reference to Sir Hugh Allan.

As regards the Members of the Board from Quebec, there was first Sir Hugh Allan himself, Mr. Beaudry, a merchant of high standing in Montreal. He may be considered, though I don't in fact remember, as being selected by Sir Hugh Allan, as being his special choice. Mr. Hall was selected by Mr. Pope to represent the Eastern Townships on the Board. Sir Hugh Allan pressed strongly for the appointment of Mr. Foster, or a person representing Mr. Foster. Mr. Foster himself could not be a member of the Board after we came to the conclusion to exclude Members of Parliament, as he was a Senator. Sir Hugh Allan therefore desired to have a representative of Mr. Foster on the Board, but Mr. Hall was selected by Mr. Pope.

Hon. Mr. Beaubien, the Commissioner of Crown Lands for Lower Canada, was named by Mr. Langevin. He selected Mr. Beaubien to represent the District of Quebec interest as separate from the Montreal district interest.

The charter was framed with great care. The principal heads of it were prepared by myself; that is, the leading principles of the Charter were jotted down by myself and acquiesced in by my colleagues, and were communicated to the gentlemen whom we had selected to form this Board. We had several meetings, I fancy in December and January, at Ottawa, where these matters were discussed.

The provisions of the charter were added to and enlarged from time to time, and at last Mr. Abbott was selected to meet Mr. Campbell and myself and settle all details of every nature. Mr. Abbott was acting not on his own account, but as I understood, as counsel for the new company, which was about to be formed. He was early selected as the legal man of the company, and in that capacity he met us and we worked out the details, most painfully worked at them for a considerable time; had them printed and reprinted, and at last they assumed the form in which they now are in the completed charter.

I think that I have given you a statement of all the facts connected with the promotion of the company and what I know of the communications and original arrangements with the Americans. I may say, that every precaution that we could think of or that was suggested to us to prevent the Americans getting in either directly or indirectly so as to have control of

the Company, was adopted. In the first place, by the election of the thirteen gentlemen who were not only Directors of the Company, but were also shareholders and held all the Stock.

They were all gentlemen of high standing and Canadians, and certainly would not any one of them be in any way a party to handing over the Canadian Pacific Railway to foreign control. They held the whole of the Stock and not a single share could be transferred for the first six years until the sanction of the Government had been obtained. The reason we selected six years was this—we gave the Company one year—to the first of January next—to raise the necessary funds, and we thought that after five years of active prosecution of the work there would be no fear of the road getting into foreign hands, and that point once gained, the less the Government had to do with the Stock the better, for it would fetter the transfer of the Stock and of course render it less valuable. The uncertainty as to whether a purchaser would be approved of by the Government would operate against the value of the Stock in the market.

Question—Have you any further statement to make?

Answer—Nothing further occurs to me.

I can state and propose to take up the question as to the contribution of election funds. As I have already mentioned, when Sir George Cartier went to Montreal from Ottawa, and I went to Toronto, I asked him to endeavor to get what pecuniary help he could from our rich friends in Montreal; and when I was in Kingston at the time of my own election, I got a letter from Sir Hugh Allan stating that he would contribute $25,000 to the election fund. He used the expression that he would contribute $25,000 to help the friends of the Administration in their elections. I may say here that I considered myself a trustee to that fund, and certainly did not apply any of that money to my own election.

Question—Have you got that letter?

Answer—No; I destroyed it.

It was simply informing me that he would contribute to that extent.

I paid the expenses of my own election; and, in fact, I did not receive any funds at all from Sir Hugh Allan until after my own election was over. I was at Toronto the most of the period during which the elections were being held, going off occasionally to one place or another to communicate with my friends. I got pecuniary assistance where I could. In Canada we have not the same organization that they have in England. We have neither a Reform Club nor a Carleton Club to manage elections, and the leaders have to undertake that for themselves. I found as the contest went on that it was getting more severe; representations were coming to me from all parts of Ontario that the Opposition, to use a general expression, had two dollars to our one, and I redoubled my exertions to get subscriptions from all our friends. Sir Hugh Allan was then in Newfoundland, as I understood, and I wrote twice personally to Mr. Abbott, who was acting in Montreal for him, and twice received contributions to the extent of $10,000 each.

Question—Were these sums both from Mr. Abbott?

Answer—I am not sure, but I think so.

Question—That was in addition to the $25,000, making in all $45,000?

Answer—Yes.

I see that in one of Mr. McMullen's letters, of the fourth of August, published in the Montreal *Herald*, he states that "over $100,000 were sent to Sir John A. Macdonald, from Montreal, besides a large amount paid to the Central Committee." As to the funds I got from Montreal, they are exactly the sums I have mentioned.

As to the contribution of $25,000, it was sent to me without my having previously asked for it. I had no communication with Sir Hugh Allan, and never asked him for any sum, whatever, at the time that I received the $25,000, but I have no doubt Sir George asked him to subscribe, and I got the intimation from Sir Hugh Allan that he had subscribed that amount. The other two sums of $10,000 each, were given at my request. I wrote to Sir George Cartier in Montreal, with respect to these additional advances, that as we had such a hard fight, he must either borrow or beg funds for me, and I have no doubt that he asked for them. I was not aware until I saw the communication in the newspapers, that he had written Mr. Abbott, to endeavor to get it for me if he could.

I think this is all the statement I have to make.

Question—Is there any other matter connected with this charge on which you desire to make a general statement?

Answer—There are a number of statements made by Mr. McMullen, which I would like to call your attention to, or to which I have already adverted, but would wish to specify more particularly. Mr. McMullen in his letter of the 18th of July, states that Sir Francis Hincks suggested that the Government would be obliged to advertize for tenders, in order to avoid blame, so that the conclusion of an agreement would have to be postponed for several weeks.

To that I will say that the idea of advertising for tenders had been mentioned, with many other suggestions that were made, but it never came to anything. The Government never came to any conclusion to advertise for tenders. Indeed we saw that there would be no object in advertising for tenders, as we excluded American capitalists altogether. There was no suggestion that there would be any companies formed in England to build the road, and all the capitalists in Canada who desired to have anything to do with it, were parties to the Inter-Oceanic, or the Canadian Pacific Companies, and so there was no object in advertising. Mr. McMullen says he (Sir Hugh Allan) at one time announced to Mr. Smith and myself that the $8,500 of which he speaks in one of his letters, had been lent to Sir John A. Macdonald and Sir Francis Hincks in sums of $4,000 and $4,500 respectively, with very good knowledge that it was never to be repaid.

With reference to that sum of $4,000 to myself, that is a complete and utter falsehood. I never received $4,000 from Sir Hugh Allan. I never had any money transactions with him in my life. He never gave me any money or never lent me any money in his life. It is utterly false, and I have reason to believe Sir Hugh Allan never said so. Mr. McMullen does not state that we received the money, but that Sir Hugh Allan said so to him, but I do not believe he ever did say so for two reasons.

In the first place, if he ever did it, it would have been a falsehood, and in the next place, when Mr. McMullen came to see me in December, I think it was then that he came to see me, the first time alone after the elections, I forget the exact date, he came, evidently, for the purpose of attempting to bully me, and levy blackmail upon me, and he spoke very mysteriously of what he could prove.

That Sir Hugh Allan had told him some very strange stories about expenditure of money for members of Parliament and so on. I was very much surprised to hear that statement, and he said among other things, "he never mentioned your name in connection with any of these expenditures, but he has the names of persons who are very near you." I said he could not very well have mentioned my name, because I never had any money transactions with him. In the first place I know the statement is false, and I am satisfied for these two reasons that Sir Hugh Allan never said so. Again Mr. McMullen says: "I met Sir John Macdonald in Montreal after the close of the Session, while on his way to meet Lord Dufferin at Quebec, and he suggested that as Allan had made so many enemies, I should go to Mr. Macpherson and try to bring about an amalgamation, promising to write a personal letter to Mr. Macpherson to aid in the desired object." Now that is in substance untrue—entirely untrue—except the single fact that I saw Mr. McMullen. Mind you I did not seek him out—Mr. McMullen sought me out. I was going to Quebec to see Lord Lisgar off for England. I went from here in the steamer, and went direct from one steamer to the other, and did not enter Montreal at all. How Mr. McMullen found out I was on the boat, I don't know, but certainly he came down to see me. He said the Canada Pacific Railway Board was sitting and was going to take some steps. I was very guarded—I did not know what he had to do with it. I understood of course, there were to be no Americans having anything to do with our Pacific Railway scheme; and I did not therefore understand what he had to do with the matter at all, or why he had come to see me. He was a Canadian himself, but I did not know whether he had any stock or interest in the Pacific Company. I was exceedingly guarded with him. I heard what he had to say:—He said the company was organized. I said it is not the slightest use having anything done until there is an amalgamation. He then said to me that he was going to leave Montreal for Chicago, and he thought he would stop at Toronto on his way home and see Mr. Macpherson.

I think I said it would do no harm, or some answer of that kind. I did not encourage

him to go. He informed me that he would go. I made no suggestion to him in regard to it. It would be quite absurd to suppose that if I could not persuade Mr. Macpherson to go in for the amalgamation of the two incorporated Companies that he could do so. It is quite a misstatement. Mr. McMullen says again: "After having Sir George sign an agreement as stated in the letter of August 6th, he commenced paying money, but, as he told me, having Cartier's order in each case, and taking a receipt therefor. When making the agreement he had no idea that the amount of money would be excessively large, and when it had run up to between $150,000 and $200,000 he became alarmed,and told Cartier that he must stop paying the drafts which were coming in so rapidly unless the whole Government would sanction the bargain. He then stated that Sir George sent to Ottawa and received a telegram from Sir John Macdonald confirming his action. After this Allan said he proceeded paying out money until he had advanced $358,000 in addition to $40,000 drawn from New York." Now this is altogether untrue. He received no such telegram from me. He could not do so, because I never was in Ottawa during that time. I was always in the west attending the elections. From the time I left Ottawa at the end of June or the beginning of July, until the elections were all over, I never was once in Ottawa, and I never made such a communication. It is altogether a falsehood.

Then again as to the meeting which he alleges to have taken place on the 31st of December, he says, "on the 31st of December, I had an interview of some two hours duration with Sir John, and placed him in possession of all the facts and showed him the letters which I had from Sir Hugh in regard to the matters as well as the original contracts, and the letters to the New York Railroad President, which were recently published in connection with other correspondence." He (Mr. McMullen) came to me and complained very much of the way he had been used; that he had devoted himself for some time to this subject and had been thrown overboard. He did not show me those papers. He read me passages from some of the letters. I recognized some of the passages when I read the correspondence published as some of the passages read. I heard what he had to say and what I then said was that according to his own statement, if his statements were true, and those passages read seemed to carry out his statement that I thought Sir Hugh Allan had not used him well, I said "he ought to have been more frank with you. He could not if he had "tried obtained what he wanted to get. He must have ascertained that last session. He "could not by any possibility have effected the purposes you wished him to effect of getting "your associates the American capitalists interested in the company. He could not do so, "the public feeling was so great." The feeling expressed in Parliament, and the policy of the Government were all opposed to it, so that, however willing or anxious, Sir Hugh Allan might be, to carry out that arrangement, it was impossible to do so, and his fault I thought was in not having at once candidly told the American gentlemen with whom he had made this agreement, that such was the fact. On the 23rd of January, that was a very short time before the contract was signed, and after all arrangements had been made, and the selection of the Directors or most of them had been completed. Mr. McMullen came accompanied by Mr. Smith, of Chicago, and Mr. Hurlburt, of Chicago, and they went over the story again. They told me that they had been very badly used, and they had in good faith advanced for preliminary expenses of the Railway, a sum of money, that is for the preliminary expenses of the Canada Pacific Railway Company which was incorporated. I stated to them that of course Sir Hugh Allan was liable to them for that money, and must it seemed to me, as a matter of course refund it if he had not already done so. They said they would not put up with such conduct and would see him. I said it is your own affair. Mr. McMullen said they would seize his ships in American ports and take proceedings against him. I said it was quite open for them to do so. I went so far as to say "I think you are quite right, if I were in your place I think I would proceed against him." They said they would go down to Montreal, and both Smith and Hurlburt said "you must distinctly understand that we do not come here for the purpose of black-mailing you or black-mailing the Government, but for the purpose of stating our case. In fact they wanted to know whether, by any chance, they could be admitted to have an interest in the Railway.

That was, I understood the object of their communication. I said to them that it was utterly impossible; that American capital must be excluded, and that the Company must

be formed by Canadians, and was, in fact, in process of formation, in the manner in which it now presents itself. They said they would go down and see Sir Hugh Allan, and return this way and see me. I said I would be very glad to see them, and if I could be of any service in settling matters between Sir Hugh Allan and them, I would be very glad.

They did not come this way, however, but I received a letter from Mr. Smith, of Chicago, making a great complaint, that they were excluded, and he wanted to know if I would have any objection to their petitioning the Canadian Parliament for redress. I did not answer that letter. There is a report appearing in the Chicago *Times* of September 3rd, which was sent to me, containing an account of an interview between a reporter of that newspaper and Mr. McMullen in Chicago.

Question—Which Mr. McMullen?

Answer—Mr. George W. McMullen. Most of that report repeats what has been already published, but I wish to recall the attention of the Commission to it. He says: "That we went to Montreal in September, 1871—and arranged preliminaries—Sir Hugh was to be the agent of the Government. He was to receive for himself a large interest, and an amount of stock which was to be placed where it would do most good, and the cash instalments on the stock were to be advanced by us."

The interviewer asked then—"Was the Government aware of this?"

Mr. McMullen replied: "I told Sir John Macdonald all about it before our meeting with Allan. At the Premier's request I visited him after the meeting at Ottawa, and told him everything, and he was well satisfied." As I said before, I saw Mr. McMullen at the St. Lawrence Hall, and he told me what was doing. I heard him. On both occasions my statements were uniform, that the Government could not enter into any arrangement until after Parliament met.

He reverts in that interview to a statement that Sir Hugh Allan had informed him that he had loaned $4,000 to me; that Sir Hugh Allan had said so.

"Sometime after this, Allan stated that he had loaned $4,000 and $4,500 to Sir John A. Macdonald and Sir Francis Hincks respectively, with the knowledge that it was never to be returned." That is untrue. I have already explained why I believe that Sir Hugh Allan did not say so, and if he had said so, Mr. McMullen told me a falsehood when he said that Sir Hugh Allan had never mentioned my name in connection with these transactions. Here is another statement. The Reporter says: "Have you any further proof that the Government was aware of Sir Hugh Allan's bargain with Cartier."

Mr. McMullen said: "I do not feel at liberty to submit all for publication. I will give a short item that will probably be sufficient. Shortly after the elections were over, and while Sir Hugh Allan was pressing for a fulfillment of his bargain he began to think that the Government intended to play false. He prepared a complete transcript of all the transaction between him and Cartier and Macdonald, the contracts, supplementary contract, orders for money, telegrams for money, telegrams of Sir John, and memoranda generally, all ready for publication. On the following morning the Government was notified of this, and they yielded to the threat." I can only say that I never heard of such a statement; never saw it; no such threat was ever made, and no communication of the kind was ever made. It is a falsehood complete and entire, without one semblance of truth. Here is another statement which, perhaps hereafter, before this Commission closes, can be more specifically replied to, as it is not a subject with which I am very conversant. The reporter says: "But $400,000 is a pretty good sum of money for one man to lose. Does Sir Hugh really suffer this loss?" Mr. McMullen says "Sir Hugh is President of the Merchants Bank of Canada, a very large institution, which in its current report shows a Government deposit, without interest, of over $1,200,000, and as all its funds are directly under his control, it is safe to suspect that up to the present time he is even. I understand that another Bank in Montreal furnished a portion of the sum by discounting notes secured by Allan's endorsement, and that these are still being carried. This bank also has over $300,000 of Government money on the equally liberal terms of no interest." That statement is untrue. I do not believe the Merchants' Bank have ever at any time deposits of over $300,000 without interest. Funds accumulate in the different banks, and any profit goes to the share-

holders and in no way to Sir Hugh Allan except as he is a shareholder. But the sum of $1,200,000 is altogether false. I think these are all the remarks I have to make.

There is one more statement which I desire to make in justice to Mr. Hillyard Cameron. It is stated that at my pressing instance, Sir Hugh Allan advanced money or discounted a note of Mr. Camerons' of some $5,000. Mr. McMullen says: "The Chairman of the Investigation Committee, applied through the Premier for a loan of $5,000 after the elections were all over, and as Allan supposed he was through paying, he objected, but after a personal visit of the Postmaster-General to Montreal, and the urgent telegrams and letters of Sir John who announced that it was to help us, the thing was done." The circumstance was simply this: Mr. Cameron told me—we are very great friends—that he was very hard-up, and that he wanted some money and was anxious to get a discount, and he asked me if I would drop a line to Sir Hugh Allan asking him to get his note discounted by the Merchants' Bank. I wrote down asking Sir Hugh to use his influence to get a discount for Mr. Cameron for $5,000, and he got that discount. That is all I know about it. That was in January, before this investigation Committee, as it is called, was thought of. Parliament did not meet until March. Mr. Huntington did not make his charge against the Government respecting the Pacific Railway, until April, and such an idea as the charge being made or the Committee being struck, had certainly not occurred on the 23rd January, 1873. I have just this further to say, that when it was proposed to strike the Committee, there was a good deal of excitement in the House at the time on the subject, as of course you cannot but be aware of, and it was the opinion, or it was believed, as it proved, that there would be a strong party struggle as to the composition of the Committee. I suggested some names to be on that Committee, to my friends. Mr. Hillyard Cameron was not one of those whom I suggested, and when I found it had been so arranged by some of our friends, I was disappointed and expressed my disappointment. So that Mr. Cameron was put on that Committee I may say, without my consent, I having suggested another and a different member of Parliament, and was quite disappointed that Mr. Cameron was selected. I feel bound to state this in justice to Mr. Hillyard Cameron.

Question—Mr. McMullen's letters seemed to allege that copies were given you of certain letters between him and Sir Hugh Allan. Did you see these letters?

Answer—On the 23rd of January he saw me and said he would send me copies, and he did send me copies.

Question—Are these copies of the originals which were afterwards included in the sealed packet?

Answer—Yes, I think so.

I have got them.

Question—Are you able to state whether these copies you have are copies of the originals here?

Answer—I have got all the copies.

It would take some time to bring them now as they are at my house.

Question—You will produce them to-morrow?

Answer—I did not get them on the 23d of January. He promised to send me copies of all the papers and I subsequently got them.

Question—Had you any knowledge that that correspondence was going on at that time?

Answer—No.

Question—When did you first become aware of it?

Answer—I became aware of this correspondence by seeing it in the Montreal HERALD. Of course I was aware of the correspondence at the time I got the copies, and I next saw it in the Montreal HERALD.

And further for the present deponent saith not.

And on this eighteenth day of September, reappeared the said witness, and continued his deposition as follows:

Question—Have you any knowledge of the sealed packet of papers which was placed in the hands of Mr. Starnes.

Answer—The first I heard of these papers was when application was made on the floor of the House by Mr Huntington to have them impounded. I then afterwards saw the packet

when it was produced before the Committee by Mr. Starnes. It was sealed and the Members of the Committee who were present put their initials in the vicinity of the seal, but it was not opened.

Question—Is that envelope now shown to you the one which you saw?

Answer—I have no doubt but that is the one. I recognise Mr. Hillyard Cameron's writing on it, and also that of Mr. Blanchet and Mr. Dorion.

Question—Will you have the kindness to look at the letters contained in that sealed packet, and numbered from 1 to 19, and say whether the copies which have been given to you are copies of these letters?

Answer—I would say with respect to these copies, that Mr. McMullen, at the meeting which I have spoken of already, stated to me that he would send me copies of the correspondence between Sir Hugh Allan, and Mr. Smith and himself. He did send me copies of that correspondence two or three days after. I see in that correspondence two letters addressed to a gentleman in New York. These letters appeared in the Montreal Herald, and, I think, without the name of that gentleman.

His name I see in those papers. These letters belong to that gentleman, and I do not wish to be a party to making them public, but I will hand them into the Commission.

On comparing the correspondence sent me with that in the packet which was placed in Mr. Starnes' hands, I may say that there are two telegrams, and a letter previous to the 8th of December, 1871, the earliest date of any communication in the packet.

Question—Do these copies of the correspondence which were sent to you purport to be copies of a correspondence between Sir Hugh Allan, Mr. McMullen, Charles M. Smith, and this New York gentleman?

Answer—Yes.

Question—These copies have continued in your possession since you first received them?

Answer.—Yes.

Question—No copies of them were given by you to any person?

Answer—None.

Question—I perceive that there are some statements in these letters, several of which I wish to call your attention to. In the letter of the 28th of February, 1872, Sir Hugh Allan mentions the distribution of stock in the Canada Pacific Railway Company, $100,000 to Mr. Macpherson; A. B. Foster, $100,000, and so on. Have you any knowledge of an arrangement between Sir Hugh Allan and these gentlemen, of that kind, or of any arrangement which Sir Hugh Allan proposed to make with respect to the distribution of stock?

Answer—Not the slightest. I never saw this document or knew that Sir Hugh Allan proposed to distribute the stock among Canadians in this proportion; but I heard from Mr. Macpherson that in a conversation which he had with Sir Hugh Allan, that he had mentioned or written the manner in which he thought it would be right that the stock in the case of amalgamation, should be distributed in Canada, but the particulars I do not know.

Question.—Then there is the letter of the 7th of August, to which you have already adverted in your examination in chief. In the letters of the 6th and 7th of August, two distinct letters, Sir Hugh Allan states that "We (meaning himself and Sir George Cartier) yesterday signed an agreement by which on certain monetary conditions they agreed to form a company of which I am to be President, to suit my views, to give my friends a majority of stock, and to give the company so formed the contract for building the road—in the terms of the Act of Parliament, which are $30,000,000 in cash, and 50,000,000 acres of land, with all the advantages and privileges which can be given to us under the Act." Have you any knowledge of what agreement he refers to in that statement?

Answer—No, the only agreement is the one I have mentioned in my examination, namely: that of the 30th July, to which I objected.

Question—You have no knowledge of such agreement being made on the 5th and 6th August, by Sir George Cartier, or any other Member of the Government?

Answer—No, I don't believe he ever did make such an agreement.

Question—Do you know of any agreement which was entered into between Sir Hugh Allan and Mr. McMullen, and certain capitalists in New York, in relation to the construction of the Pacific Railway?

Answer—Yes.

Question—When did you first become acquainted with that agreement?

Answer—I know that Sir Francis Hincks had mentioned to Sir Hugh Allan the names of these gentlemen, and had suggested that Sir Hugh should put himself in communication with them. After that I cannot speak with any certainty. I was not aware that any arrangement had really been come to until shortly before Sir Hugh Allan came with these gentlemen to Ottawa, and then when they came to Ottawa we declined to enter into any discussion of the matter with them.

Question—Did you see the agreement?

Answer—Not until I received a copy of it from Mr. McMullen.

Question.—Is it among the papers you handed in?

Answer—No; I have only given you the correspondence. I also produce and fyle other papers marked "K." Though these I received at the same time as the copies of the correspondence, the papers I now produce show drafts of Sir Hugh Allan to the extent of $40,000 mentioned in Mr. McMullen's letter, and the contract as originally entered into in New York, with a modification of it afterwards.

Question.—When was the decision arrived at by the Government to exclude American capital?

Answer—I do'nt remember when there was a formal announcement of our policy on that point, but from the time it was first mooted in the press that American capitalists who were seeking to be concerned in the construction of road, were interested in the American Northern Pacific Railway and other United States systems of railways, the Government began more and more to doubt the expediency of allowing American capitalists to have anything to do with it. The Government was not favorable to allowing Americans to come in, inasmuch as we foresaw the difficulty of preventing the control of the road, after its construction, from falling into their hands if they were allowed to construct the road. This feeling grew in the country more and more intense as the subject was discussed by the press, and as public excitement and public feeling was increasing against it, the Government individually, and as a body, before Parliament met, came to the conclusion that it was impossible to allow Americans to have any interest in the road.

Question—Was this before April, 1872?

Answer—Before April, 1872. When Parliament met and I had an opportunity of seeing the Members of Parliament, it was then evident that this was the general, almost the universal feeling in the House.

Question—Was any encouragement at any time given to the proposal to build the Road with American capital by the Government or any member of it?

Answer—No, except the communication I have already mentioned made by Sir Francis Hincks, I am not aware of any communication of any kind between any member of the Government and these gentlemen. On the two occasions when these gentlemen were present in Ottawa I principally conducted the conversation with them, and certainly I gave no encouragement to Mr. McMullen or the American capitalists.

Question—Was there any communication or correspondence with Sir Hugh Allan on the subject which would lead him to believe that the Government would favor that mode of building the road?

Answer—No, I am certain Sir Hugh Allan when he came up he found out that the Government and Parliament were equally opposed to the admission of American capital.

Question—You say when Sir Hugh Allan came up here he found that out. Can you fix the date?

Answer—No, I don't at all remember. I remember this fact, however, that Mr. Abbott who took a great deal of interest in the promotion of the Bill before the House stated distinctly to me as a member of the Government that he had undertaken it on the solemn assurance that only Canadian capital should be concerned in the enterprize, and that he had that assurance from Sir Hugh Allan.

Question—When did the Government first determine to unite the interests of Ontario and Quebec and the other Provinces together in one common Company for the building of this Road under the Royal Charter?

Answer—Immediately after my return from Toronto, in November, I think. I got here about the 22nd of November. We then came to the conclusion that we would not—although the Inter-Oceanic Company had declined to have any amalgamation—give the construction of the road to the Canada Pacific Company, but that we must issue a Royal Charter. Even if they had consented to an amalgamation taking place between the two companies it would have been too late to amalgamate under the Act. By the Government Act it is provided that the amalgamation must take place within one month after the passing of the Act; so that if the two companies had amalgamated they could only have gone on under one of the Acts of Incorporation. It would have been a matter of indifference whether they proceeded under one of the Acts of Incorporation or under a Royal Charter.

Question—At what time was it that the Government determined not to give the contract to the Canadian Pacific Company, and contemplated the formation of another company by the amalgamation of the Inter-Oceanic company, with that of the Canada Pacific, for the purpose of carrying on the work?

Answer—We at no time contemplated giving the construction to any one of the companies but we formally came to the conclusion to grant a Royal Charter on my return from Toronto.

Question—When was the idea of forming the Inter-Oceanic company first originated?

Answer—During the Summer or Autumn of 1871. I had been pressing Mr. Macpherson Mr. Wm. Howland, son of the Lieut. Governor, Col. Cumberland and other gentlemen to take up the question, and had spoken to my friends and leading men in Ontario, not to allow Americans to come in and build the Railway.

Question—Have you any reason to believe that the company was formed because of the opinion you expressed to your friends in Toronto?

Answer—I am sure of it.

Question—Was it from the beginning formed upon the basis of excluding all American capital?

Answer—No. With respect to the Inter-Oceanic Company, I am not perfectly informed, I do not think that when they first commenced to discuss the formation of the Inter-Oceanic Company, they contemplated the exclusion of American capital, I think on the contrary, that in the Inter-Oceanic company's Act of Incorporation, if I remember aright, there is some provision that the majority should be British subjects, I forget now what the expression is. but there is something in that Act, which from my recollection indicates that there was no positive exclusion of American capital.

Question—Was there anything which indicated an intention to exclude the controlling influence of American capital in the Road?

Answer—I have no doubt that they had that in their minds; that those who were promoting the Inter-Oceanic Bill had determined that they would not allow American capital to have control. I have no doubt that that was one of the inducements to their getting up the Company. In the first place they thought it was a great thing for Canadians to be engaged in that great national enterprize. In the second place, as I thought myself, and as I expected they thought that Canadians ought to be interested in it, and no doubt their desire to be interested in it was greatly increased by their fears and the rumors which some of them had heard that it was an attempt of American capitalists to get hold of the control of this great work, but I cannot speak specifically on that.

Question—Have you stated at what time you gave up the expectation of bringing about an amalgamation between these two companies?

Answer—About the 14th, 15th or 16th of November, I had thought at one time that I had succeeded in removing all the objections, and that amalgamation would have taken place, but I failed.

Question—Was it at that period that the Government determined on issuing the charter of the present Company?

Answer—I returned here about the 22nd November, and of course we had no time to lose. We immediately addressed ourselves to get up a Company composed of representative men from all the different Provinces who would accept the Royal charter.

Question—Was that determination the result of the failure to bring about the amalgamation?

Answer—It was.

Question—You stated yesterday that the number of Directors in the Company is thirteen, and the distribution was a good deal governed by the principle which had governed the selection of members of the Cabinet. Was there any inequality of condition or advantages among the several Directors?

Answer—There was not. I forgot in my statement yesterday one or two points. In speaking of the *personnel* of the directory I forgort to allude to the two Directors from British Columbia and Manitoba. With respect to Manitoba the Government asked Mr. Donald Smith, a Member of Parliament from that part of the country, the representative man in Canada of the Hudson Bay Company, to be a member of the Board. The Government thought it would be a great advantage to get the assistance and influence of that powerful corporation in England if the Company had to go to that market to borrow, to get them interested in the Pacific Railway, and we asked Mr. Smith to become a Director, and with that view, and a person greatly interested in the matter, he attended several of the informal meetings that we had. We had a good many of them here, but when the Government came to the conclusion to exclude Members of Parliament, Mr. Smith was, of course, excluded, and we consulted him as to getting a representative man from Manitoba. He recommended Mr. McDermott, whom he represented to be a wealthy merchant in Winnipeg, for whom he acted and from whom he had procured a power of attorney to act. That is how Mr. McDermott was appointed. In the same way Mr. Helmeken of British Columbia was appointed. He is a gentleman of very high standing there, who was one of the delegates to Canada to settle with the Canadian Government as to the terms of Union between British Columbia and the Dominion, and who was afterwards asked to become a Senator, from his well-known high standing and character in British Columbia; and I know as a matter of fact that he was asked to be the first Premier since Confederation, by Lieut.-Governor Trutch. He also declined that. He is considered a man of high standing, and, therefore, we asked him to become a Director. He did become a Director, and Mr. Nathan, a Member of Parliament from British Columbia, representing Victoria, was his attorney. I had forgotten to mention these two things.

Then you asked me as to whether there was any advantage of one Director over the others. There was none. The plan upon which the Government acted was this: There were to be thirteen Directors, each to take one thirteenth of the stock, and each to pay up a tenth to form a deposit of $1,000,000 which the Government act required. We stipulated with these Directors, that they should be in fact Trustees for their several Provinces; that they should not hold more than $100,000 each of Stock at first; on which they would each pay $10,000; and that they should give an opportunity to the people of their different Provinces to subscribe for the rest of the Stock as they chose. Such subscription being of course provisional, until sanctioned by the Government, as it was a provision that no transfer could be made of any Shares without the consent of the Government, and then in case the Stock was not subscribed in the different Provinces whatever was unsubscribed should be placed in the open market with the same condition that no person should get any Stock whatever until their names were submitted and approved of by the Government.

Question—Who was elected President?

Answer.—Sir Hugh Allan.

Question—Do you know whether he was elected through the influence of the Government?

Answer—I know that he was not elected through the influence of the Government. I know it in this way; that for convenience sake I was made the sole means of communication between the Government and the Provisional Board of Directors. I know therefore that when they met I made no suggestion at all, because it was not necessary that I should do so. They all seemed to assume that Sir Hugh Allan, from his wealth and standing, and having taken it up first, was to fill the position as a matter of course. That seemed to be understood by all the gentlemen. If there had been any doubt about it, I should have carried out what I

said I would do in my telegram. I would have said I hope you will elect Sir Hugh Allan, but I did not do so.

Question—The Government did not find it necessary, then, to exercise its *influence*, promised by your telegram of the 26th of July?

Answer—They did not find it necessary. I do not remember making any communication to any member of the Board on that subject, for all seemed to take it as a matter of course. I am more particular about that, because several of them did speak to me about who should be Vice-President.

Question—Who is the Vice-President?

Answer—Major Walker of London.

Question—Does Sir Hugh Allan, in consequence of being President, enjoy any peculiar advantages, other then the distinction, of course?

Answer—The only advantage he has is sittting at the head of the table regulating the proceedings, and having the name of President, but by law he has no advantage, and that view I pressed strongly on Mr. Macpherson, and other members of the Inter-Oceanic Company, and that every Director made his own position on the Board according to his ability.

Question—Did Sir Hugh then in the course of his negociations in relation to this whole matter obtain from the Government any advantage greater than these other gentlemen?

Answer—No, none whatever.

Question—I think you say in your examination in chief, that after your telegram of the 26th July—after that arrangement was made—that these arrangements were made between Sir George Cartier and Sir Hugh Allan, with respect to the furnishing of funds for the support of the elections. Did you not state something to that effect?

Answer—No. I did not state that.

Question—Have you any correspondence relating to that matter—of the money to be subscribed in Montreal by Sir Hugh Allan?

Answer—No, I have not.

Question—Was Sir Hugh Allan the only one that you mentioned?

Answer—I mentioned other names.

I think it hardly fair to mention the names of those other gentlemen. I mentioned Mr. Brydges' name, and Mr. George Stephen's name, and several other names. I have no doubt I mentioned Mr. Ogilvie's name, and other friends.

Question—Had you any reason for mentioning Sir Hugh Allan's name beyond that which actuated you in mentioning the names of the other gentlemen?

Answer—Yes I had. I thought Sir Hugh Allan was especially interested in getting a Railway Parliament returned, and that he was interested in sustaining the Government which would carry out the Railway policy which they had inaugurated.

Question—Did you consider him then to have a direct personal interest in the result of the elections?

Answer—Yes. I considered him to have a strong personal interest in this way. Sir Hugh Allan had, as is well known, a very large interest in the Steamships line and in getting freights for that line. He knew, as it was well known in the country, that there was an opposition line being got up under the auspices of the Grand Trunk Railway Company to run to England, and it is well known that he was alarmed at this, because he naturally assumed that if the rival line were connected with the Grand Trunk Railway there would be preference given to that line over his own in matters of freight from the west. Sir Hugh Allan, I think I am not wrong in supposing that this excited him very much and that it was the primary cause of his connecting himself with the Northern Colonization Road from Montreal westward, and encouraging the building of the northern Road between Montreal and Quebec, and the extension of the inner line between Ottawa and Toronto so as to have another and competing line which would give his line of Steamers fair play. I think I am not wrong in believing that this was the origin of his connecting himself so strongly and warmly with these lines, and these lines would not I think, especially the Road from Ottawa to Toronto, be early undertaken unless there was a chance of the Pacific Road going on westwards. I think he had a special interest in this line and the western extension, and besides as he expressed himself to me and every one else no doubt, he had a great pride at his age and with his

means and standing in connecting himself with this great national enterprise. Sir Hugh Allan could have been under no mistake as to his position long before the elections took place with reference to the Pacific Railway.

It was not necessary for him to advance or subscribe one shilling in order to insure to himself, if he thought proper, an interest in the Pacific Railway Company. He knew in the first place that the Canada Pacific Railway of which he was President, and the representative man from Lower Canada, could not be ignored in any company that was formed to build the Pacific Railway. He must have ascertained early when Parliament met from the feeling in Parliament, that he could not get for his Company the exclusive right to construct the Road. The interests of Ontario forbade that. His Company could not be excluded, but could only have an interest in common with Ontario. So that without his subscribing a single sixpence to elections, or to any other purpose, he knew quite well that the Quebec interest must be represented to any Railway Company that was formed, and that he was the representative man from Quebec, and would be supported by the whole influence of Quebec as such. The only danger was that the Railway Policy adopted by the Parliament, which had expired, might be reversed by the coming Parliament. He knew that the Policy of the Government in carrying out the Pacific Railway had been strongly opposed by the Opposition to the Government; that it was argued very strongly that the road was beyond our means, and would over-tax our resources; therefore, that was the danger to him. He desired to connect himself with the Pacific Railway, which would be the complement of all those other lines with which he had connected himself. And the whole Railway Policy of the Government might be reversed if the Opposition succeeded in carrying the Country. He was therefore interested in exactly the same way—to use an illustration from England—he had the same interest in supporting the Government in its Policy in this country, as the great body of licensed Victuallers, in England, have to oppose the present Government there, because they disapproved of some of the legislation of the past, and fear hostile legislation in the future. I considered that Sir Hugh Allan had a very strong interest in the securing a Government majority in the present Parliament.

Question—You said that you received a letter from Sir Hugh Allan, during the progress of your election, subscribing $25,000 for election purposes?

Answer—Yes. Stating that he was ready to subscribe $25,000.

Question—What became of that letter?

Answer—I destroyed it; it might have been stolen.

Question—Did that letter contain any terms or conditions upon which the subscription was made?

Answer—None whatever.

Question—Can you recollect the terms in which it was expressed?

Answer—I cannot pretend now to recollect the words, but it was simply stating that he was quite ready to help to assist in the election of the friends of the Government or our Western friends; something like that, to the extent of $25,000.

Question—Was that the only letter or communication you received from him on the subject of his subscription?

Answer—That was the only letter I received from him, and I had no personal communication with him on these points at all. Sir George Cartier doubtless had in Montreal.

Question—I think you stated that you received two other sums of $10,000 each?

Answer—Yes. I must retract my statement that they both came from Mr. Abbott. The first $10,000 was from Sir Hugh Allan, and I have no doubt that is the $10,000 mentioned in that communication of Sir George Cartier's. The other $10,000 I got subsequently from Mr. Abbott, Sir Hugh Allan being at the time in Newfoundland, I think.

Question—These were all the sums?

Answer—Yes.

Question—Was Sir Hugh Allan's subscription of the $25,000 before or after the 24th of August?

Answer—It was before the 24th of August. It was early in August, I think.

Question—I see in that letter of Sir George Cartier's a reference made to terms and

conditions of his in a letter of the 30th of July, and that is repeated in the postscript. Have you ever seen that letter of the 30th July?

Answer—Never until it was alluded to in the publication. I have seen it since.

Question—In whose hands is it?

Answer—In Sir Hugh Allan's hands. No doubt he has it to produce. I know the general contents of it, but I cannot give it with any degree of accuracy.

Question—That is the letter to which reference is made in this letter and postscript of Sir George Cartier's, is it?

Answer—I presume so.

Question—Because there was one letter of the 30th July published. It is not that?

Answer—No, it is not the published letter.

Question—What was the disposal of the money which was sent to you?

Answer.—I used it to aid our friends in the different parts of Ontario in their elections.

Question—Had you an Election Committee in your election at Kingston?

Answer—I had.

Question—Was any portion of it applied to your own election?

Answer—No portion of it whatever.

Question—Was any applied to re-imburse what was expended on it?

Answer—As to re-imbursing my expenses, I paid every farthing of my own election expenses, unless some of my constituents paid some money that I do not know of out of their own pockets. I paid all the expenses of my own election and did not reimburse myself for any portion of my own election expenses out of these funds. On the contrary, I added to the election fund out of my own limited means to help my friends elsewhere.

Question—Do you know the entire amount Sir Hugh Allan contributed to the elections both in Ontario and Quebec?

Answer—I cannot speak with any certainty.

Question—The second sum of money received by you, of $10,000, was in consequence, I think, of a telegram which has appeared?

Answer—I would not like to swear that I sent exactly that telegram, because I do not remember its terms, but I sent a telegram, and I have no doubt that this is the telegram.

Question—It is given at the end of Mr. McMullen's letter?

Answer—That was the second "and last time." I suppose. It says it will be the last time of calling, so I take it that it refers to the last $10,000. I have no doubt it did.

Question—That telegram is dated 26th August, 1872, addressed to the Hon. J. J. C. Abbott, and signed by yourself. Is that the one you mean, "I must have another $10,000; will be the last time of calling. Do not fail me. Answer to-day?"

Answer—I have no doubt I telegraphed to him, and I have no reason to doubt that this is a copy of the telegram.

Question—Was that telegram answered?

Answer—I have before me this telegram, "Draw on me for $10,000." I don't remember, but I have no doubt he did answer and did send me such a telegram. I did draw upon him for $10,000, and I would not have drawn upon him without authority.

Question—Were there any other telegrams between you and Mr. Abbott, or Sir Hugh Allan, or receipts relating to money for election purposes?

Answer—No. There were no other telegrams with Sir Hugh Allan, and those I have referred to. I may have telegraphed to Mr. Abbott in connection with the elections, but I have no recollection of doing so.

I may perhaps now refer to a statement which I see in the Chicago *Times*, which I intended to have spoken of yesterday. It is as follows. The reporter asks him: "Can you prove that Sir John Macdonald knew of this bargain." Mr. McMullen replied, I can, and will even show his telegrams, one admonishing Allan to shell out, because he had a big thing; another telegram declaring in the most positive manner that he endorsed the arrangement made by Sir Hugh with Cartier, and would hold himself bound by it. He confirmed the bargain unreservedly." Reporter asks can you prove that? Mr. McMullen answers—I will put witnesses on the stand who saw the telegram, one of them a very prominent man and a friend of Cartier's. I will name the man who wrote the second of these transactions.

I can only say that I never sent such a telegram. It is quite an untruth. I never sent any telegram to Sir Hugh Allan, saying that I endorsed any arrangement made by Sir George Cartier and Sir Hugh Allan. I cannot understand how the idea that I sent such a note or telegram got abroad, or how Mr. McMullen could have got the idea that I sent any such telegram to Sir Hugh, calling on him to shell out, for he had got a big thing. I have been thinking how he could invent such a thing, and the only clue I have is simply this: I remember in writing or telegraphing to Mr. Abbott, that I said that we had a great enterprise before us, and we should fight it out thoroughly. I made use of some such expression to Mr. Abbott, as it was a great game or great enterprise that we had before us, which was quite true, we had a great game in seeking to carry as many elections as we could in Canada, and to secure a majority. That is the only clue which I can think of in regard to that telegram. "A big thing" is an American expression which I never use that I am aware of.

Question—Do you know what passed betwen Sir Hugh Allan and Sir George Cartier on the subject of this subscription?

Answer—I do not; I may say that Sir George wrote me no letters; he was then in very bad health sinking under the disease which caused his untimely death; what communications we had were by telegraph and they were very short.

Question—Was there any understanding that for any subscription more or less, direct or indirect Sir Hugh Allan was to receive any exceptional advantage from the Government?

Answer—I say distinctly there was no arrangement that he was to get any advantage of any kind.

Question—Was there any understanding?

Answer—No understanding. There was no agreement or understanding to give him any advantage of any kind.

Question—Have you any reason to believe that Sir Hugh Allan gave that large subscription in consequence of an expectation of any kind?

Answer—I have no doubt Sir Hugh Allan gave these subscriptions for the one object of sustaining the Government and their Railway policy in connection with the Pacific Railway, he being assured that that policy would be sustained with the influence and power of the Government if it remained a Government.

To the Hon. Mr. Campbell, through the Chairman:—

Question—You have had very many years experience of elections?

Answer—Yes.

Question—During thirty or thirty-five years?

Answer—During about forty years, from 1836.

Question—At all elections, I believe, there is a certain expenditure of money?

Answer—Yes.

Question—What is the character of that expenditure?

Answer—It is an uncertain expenditure. There is what they call the legitimate expenses, which every candidate has to undertake—the expenses of canvassing, printing and advertising—those are the legitimate expenses. There is also a very large expenditure, which is very common in this country, although it is contrary to the Statute. It is, however, I believe, so universal that I have never known any serious contest before an Election Committee on that ground. I refer to the expenditure for teams to bring the voters to the Polls. My experience has been, with respect to this item, that you cannot get the voters to come to the polls on either sides unless some effort is made to provide conveyances for them.

Question—That constitutes a very serious item?

Answer—Yes, I have always understood that to be the chief item.

Question—Then there is more or less treating?

Answer—Yes, and dinners and things of that kind, all of which are contrary to the Statute, but they generally prevail in Canada.

Question—Did you find at the elections which occurred last, in 1872, any particular necessity for spending money?

Answer—There was this necessity, that I don't suppose there ever was a fiercer struggle for the mastery than that which took place between the two parties, especially in Ontario

Every effort was made on both sides to carry their candidates. There was an unusual amount of exertion put forth, the exertions of the opposition being much greater in 1872 than they were in 1867.

Question—The exertions of the opposition?

Answer—Yes and of course there was a corresponding exertion made by the party to which I belong.

Question—And there was a corresponding increase in the expenditure?

Answer—Yes.

Question—You had a very general knowledge of the contest in Ontario?

Answer—Yes.

Question—You found that there was an expenditure of a much larger amount than usual on both sides?

Answer—Of course I am not in the secrets of the opposition, but I found such a concurrent opinion in Ontario from independent sources that money was being spent very largely, unusually so by the opposition, that I had no doubt about it. Of course some of those statements might have been exaggerated in particular localities, but the same report came from all quarters. I have recently seen statements that may perhaps at some time see the light verifying that fact.

Question—You were at the head of the Government during the last elections, and also during the previous general elections?

Answer—I was during the election of 1867, and of the last elections. I have been, if not at the head of the Government, a member of it since 1854, with the exception of the twenty months which Mr. Sandfield Macdonald was in power, and the six or eight days during which Mr. Brown was in power.

Question—Is there any other machinery in Canada for raising funds to meet election expenses except the efforts of individuals?

Answer—There is no such machinery here as prevails in England. In each constituency I suppose, the different parties raise a fund, and they usually have a central fund.

Question—There is no such machinery as the Carlton Club and the Reform Club in England, but the head of the government charges himself with doing as much as possible among his friends for the general funds?

Answer—The leaders of parties which divide the country, exercise their influence amongst their friends to raise funds for that purpose.

Question—You spoke of the appointment of Mr. Hall, and said that the first name suggested was that of the Hon. Mr. Foster. Do you mean that the appointment of Mr. Foster was strongly pressed on the Government by any one.

Answer—Before we settled that there were to be no members of Parliament on the Board, Sir Hugh Allan and Mr. Abbott both asked that Mr. Foster should be appointed.

The Government left that to Mr. Pope, who is a Member of the Government, and he selected Mr. Hall, as I understood on Mr. Foster saying that he would not resign his Senatorship to become a Director.

Question—That was just about the time of the Charter being signed?

Answer—Yes.

Question—Up to that time Mr. Abbott and Sir Hugh Allan had been pressing the appointment of Mr. Foster?

Answer—Yes. And if I remember rightly Mr. Foster was offered a position on the Board, if he would resign his Senatorship which I understood he declined to. I was informed by Mr. Pope of the fact, and he selected Mr. Hall. If I remember rightly, Sir Hugh Allan desired that if Mr. Foster was not appointed some one representing him should be chosen and he suggested his brother.

I wish to make one remark. I stated that when Sir George Cartier and I parted, when he went to Montreal before the elections, I suggested to him certain names besides Sir Hugh Allan, and I gave him those names. I do not wish it to be understood that I know that these gentlemen subscribed. I do not know whether they did or not. I merely suggested some friends of the Conservative party.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein and hath signed.

Sworn and taken in part on the seventeenth day of September, 1873, and remainder taken on eighteenth day of said month, and the whole acknowledged on the twenty-second day of said month and year.

(Signed) JOHN A. MACDONALD.

(Signed), CHARLES DEWEY DAY, *Chairman.*

" A. POLETTE,

" JAMES ROBERT GOWAN, *Commissioners.*

PROVINCE OF ONTARIO, *City of Ottawa.*

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this eighteenth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

THE HONOURABLE HECTOR L. LANGEVIN, of the city of Ottawa, who being duly sworn, deposeth and saith:

Question—You are aware Mr. Langevin of the terms of the charge recited in the Commission; the alleged agreement with American capitalists for building the Pacific Railway; the knowledge of the Government of this agreement, and the subsequent charge that there was an understanding between the Government and Sir Hugh Allan, and Mr. Abbott, to furnish funds for promoting the elections in 1872, for which they were to receive the contract for building the road. You are familiar with these allegations, will you have the goodness to make a statement in detail, giving all the facts within your knowledge, relating to these charges?

Answer—About the arrangement for the contract between Sir Hugh Allan and the American capitalists, I knew nothing until I saw it mentioned in the newspapers. I may say as was said by others, that the Government and the different Members of the Government, were from the beginning opposed to Americans obtaining the contract and the control of the Canadian Pacific Railway, with the exception of Sir Francis Hincks, but finding afterwards that his colleagues were unanimous on the subject, he gave up his own opinion, and agreed with us that the company to be formed, should be formed by Canadians or British subjects. The charge made by Mr. Huntington that the Government or Members of the Government in consideration of funds to be furnished, or paid to the Government or any Member or Members of the Government, made any agreement, or had any understanding with Sir Hugh Allan and Mr. Abbott, or Sir Hugh Allan or Mr. Abbott, or any one else,

for the building of the Canadian Pacific Railway, or for the obtaining of the contract, or for any advantage or any gain connected with it; that charge is false. The Government never had any such understanding, or ever made any such promise or any such bargain, and in so far as I know, and I have no doubt that if it had been otherwise I would have known it, there has been no bargain, no contract, no understanding of that kind between Sir Hugh Allan and Mr. Abbott or either of them, or the Americans on the one side and any member of the Government on the other. I try to make it as general and as special as possible, because I want to give a complete denial to the charge. I may now say about the giving of the contract to Sir Hugh Allan or to any one else, that the statements made by me here about the action of the Government are perfectly correct. The Government did not make any arrangement with Sir Hugh Allan, or with any one else, for the building of the Canadian Pacific Railway until after the general elections of 1872. Up to that time there was no promise or arrangement of any kind made by the Government or any member of the Government about the building of the road. I may also add that the Government were determined from the beginning to give no advantage to one Province over any other. We knew full well that Sir Hugh Allan was considered by the Lower Canadians as their representative man in this matter. We knew that he had taken from the beginning a very important part in the promotion of the Railway: but on the other hand we had to consider that this Railway was not for the Province of Quebec alone, but also for the other Provinces, I should say for the whole Dominion. On the other hand the Toronto interest was very important. Our Toronto friends were very pressing, and by Toronto friends I mean the financial interests of Ontario; that interest was very pressing, and, of course, they as well as the Quebec or Montreal interests were doing their best to have the upper hand in this railway. We had therefore to be very careful as a Government, that no preponderance should be given to one Province over the other, but that in giving the charter the interests of the whole Dominion should be considered and taken care of. We therefore did all that we could to bring about an amalgamation of the two companies; that is to say the Canada Pacific Railway Company and the Inter-Oceanic Railway Company, the first having as its representative Sir Hugh Allan, and the other the Hon. Mr. Macpherson. However, the negociations which we had with those two companies failed. We could not induce the Inter-Oceanic Company to amalgamate and therefore we had to decide what course the Government should then take. We had only those two companies incorporated by Act of Parliament. Were we to give the contract to one or the other, we would necessarily have given offence to one section or the other, and also given an undue preponderance to one Province over the other. The consequence was that the Government took advantage of the clause in the Act relating to the aid that Parliament allowed the Government to give to this undertaking. We took advantage of that clause, and formed a new company, composed of some of the leading men of the Canada Pacific Company, and of the Inter-Oceanic Company, adding to them some other leading men of the Dominion.

The composition of the new company has already been described by Sir John A. Macdonald, and I have only to say that I would have only to repeat what he has just said on that point. As to the names, that is a correct description. The charter of the Canadian Pacific Railway Company was given, I think, in the first days of February, 1873, if I am not mistaken.

Question—Will you now proceed to the other branch of the subject, respecting the money furnished for the elections?

Answer—As I have already stated, there was no bargain of any kind. I mean that neither the Government, nor any Member of the Government, so far as I know—and I would have known of it if it had been otherwise—made any bargain or agreement by which the Government, or any Member of the Government, was to receive any sum of money, or any advantage from Sir Hugh Allan, or from any one else, for the granting of the charter, or for the influence of the Government, or any member of the Government, or for the services of the Government, or of any one of them. Respecting the sums of money that Sir John A. Macdonald had stated as having received for the Ontario Elections, I know nothing. Respecting the sums of money furnished to the Montreal Central Election Committee, I knew nothing either.

During the Session of 1872 I had a conversation with Sir George Cartier, my Quebec

leader, on the elections that were coming on, and I stated to him that we should divide the work in Lower Canada, in order that our friends should be able to refer with certainty to one of us, in case they needed advice or otherwise. It was so understood between us, and I went further. I told him the experience I had had at previous elections, and that I could not myself provide the funds that might be required in my region, without help from the exterior. That, of course, I had friends that could help me to a certain extent, but that he was aware that the great wealth of the Province of Quebec was centred in Montreal, and not in Quebec, and that, therefore, I would expect that whenever he obtained from his wealthy friends in Montreal, contributions to the election fund for the Province of Quebec, he should remember that I should have a share to help in the election contest of my region—that is, the eastern part of the Province of Quebec. He promised me that he would do his best. Whilst on this subject I may say, that alluding to the charge that has been made publicly in a letter published in the Montreal Herald by George W. McMullen—a charge that Mr. Abbott had been authorized by, he does not say whom, to promise me $25,000 for my good will, or for my services, or future services in connection with the Pacific Railway, and that Mr. Abbott had reported having done so; I may say first, that Mr. Abbott never told me that he was authorized to promise me $25,000, or any other sum. Mr. Abbott never promised or offered me anything. He never spoke to me of anything of the kind, and therefore, in so far as I am concerned, that charge is false. I leave, of course, to Mr. Abbott, who may be examined on a future day, to say whether he was authorized to do anything of the kind, and whether the charge made against him, that he said he had promised anything of the kind, is true. So far as I am concerned, I say positively that he never spoke to me on the subject, and never promised me anything at any period. The only time I had a conversation on election matters with Mr. Abbott was, I believe, sometime during the session of 1872, when he, having occasion to come to my department, to see me about some matter connected with a public work in his county, I spoke to him as being one of my best political friends from my own Province, on the prospects of the electoral contest that was to take place during the summer. I told him that the last contest had been a severe one for me, in so far as my small purse was concerned, and that, of course, my position being more prominent now than it was then I was afraid that the claims or the calls upon me would be still greater, and on that he remarked that it would not be fair that the burden should all fall on my shoulders, but that certainly I should be helped by my friends. That is the only conversation I ever had with Mr. Abbott on that subject, and of course it is one of those conversations I could have had with any other political friend supporting me in Parliament or supporting me out of Parliament; and I may add that Mr. Abbott never spoke to me about the Pacific Railway, or the Bills that were before the House, and he never asked my support of any of the measures that were then before the House, or asked whether I would support or oppose them. In consequence of the conversation I had with Sir George Cartier, as I stated just now, during the elections of 1872, I received from Sir George Cartier, by the hands of Sir Hugh Allan, $15,000, he (Sir Hugh) stating that he was instructed by Sir George Cartier to remit me that sum for the election fund of my region. Some time afterwards I received a note from Sir Hugh Allan stating that on my giving a receipt to Mr. Abbott he (Mr. Abbott) was instructed to deliver me, also by direction of Sir George Cartier, $10,000 additional for the same object. As I was about leaving Ottawa for Quebec, during the elections, and understanding that Sir Hugh Allan had gone to Newfoundland, I telegraphed Mr. Abbott at Montreal to be kind enough to meet me on board of the Quebec boat at Montreal, which he did. I told him there that I had received a note from Sir Hugh Allan, as I stated just now; that I had asked no money from Sir Hugh; that the sum of $15,000 that he had sent me before came from Sir George Cartier; that I had understood from Sir George Cartier that any sum of money that he would send to me would be a portion of the subscription of his wealthy friends in Montreal, and that, therefore, I could not for a moment think of giving a receipt or of receiving any money on any condition whatever, and that if this sum of $10,000 was not on the same footing as the $15,000 first sent, I could not receive it. Moreover if there had been any misunderstandsng about the first sum, and if that first sum was not a pure gift on the part of the subscribers to the fund, I would go down to Quebec, and would return that amount immediately. Mr. Abbott told me that there must

be some misunderstanding, that he was sure that there must be no intention of putting any condition or exacting any receipt about this money, So we parted. Mr. Abbott sent me afterwards the $10,000 without any condition, and I believe stated that his explanation to me was the proper one. Some time afterwards Sir George Cartier whom I had seen *en passant* in Montreal. and who had asked me in what position I found myself about the elections in my region, was informed by me that besides my own election and what I had contributed personally to others, I was short to the amount of $7,500 or $7,600. He told me he thought his Election Committee would have to provide for that additional sum; and sometime afterwards I received it with a note from Sir Hugh Allan, stating that Sir George Cartier had instructed him to hand me that amount. I never had any communication on this subject with Sir Hugh Allan, beyond what I have just stated.

By my statement the Commissioners will see that none of that money was employed in paying the expenses of my own election.

Question—Did you take as active an interest in the negotiations concerning the building of the Pacific Railway in the earlier stages of it, as other members of the Cabinet?

Answer—No. The first negotiations were conducted by Sir John A. Macdonald principally. The negotiations between Sir Francis Hincks and Sir Hugh Allan and others were conducted as coming from himself at the beginning; and as Sir John Macdonald stated correctly when we heard that he was favouring the introduction of the American interest in the proposed Railway Company, we expressed our dissent from that action; and from that moment until the end, the cabinet never wavered on that point, showing their determination to exclude Americans from the Pacific Railway Company.

Question—Do you recollect about the time that that decision was arrived at?

Answer—The formal decision on that point was, I think, in April or May, 1872, but I am not sure.

Previous to the Session of 1872, that determination was arrived at on the part of the Government. Although, perhaps, it was not known to outsiders, yet it was the settled policy previous to the Session of 1872, and when we met Parliament and had an opportunity of seeing the members of the House of Commons, it was clear that any other policy would fail.

Question—Were you present at any of the interviews mentioned by some of the witnesses, and also in Mr. McMullen's letter relating to this matter?

Answer—No; I was not present when the American gentlemen were there.

At the first interview I understood that there were only two members of the Government present—Sir John Macdonald and Sir Francis Hincks. The second interview was reported to me on my arrival here, I think I had gone to Montreal or Quebec.

Question—You have no recollection of having ever met those gentlemen in conference?

Answer—No; I never met them. I never saw Mr. George McMullen.

Question—Had you ever any conversation with Sir Hugh Allan on the subject of the agreement they had entered into?

Answer—No.

Question—Then you knew very little of that?

Answer—Very little indeed?

Question—Did you take any part in the efforts which were made to bring about an amalgamation of the Inter-Oceanic and the Canada Pacific Companies?

Answer—Nothing more than as a member of the Privy Council.

Question—You knew that the negociations were going on?

Answer—Yes. The action was determined in the Privy Council before being taken.

Question—Respecting the organization of the Canadian Pacific Company and the appointment of Directors. You state that the evidence you would give would be that given by Sir John A. Macdonald?

Answer—Exactly what he gave. The Hon. Mr. Beaubien, who was specially selected by me, was so selected to represent the interest of the District of Quebec, not as opposed to that of Montreal, but as being distinct from that of Montreal. That was the object I had in view in selecting him from that portion of Lower Canada.

Question—Sir Hugh Allan was elected President of that Board?

Answer—Yes.

Question—Have you any knowledge of any influence being used to procure him that position?

Answer—I am not aware that the Government used any special influence or any influence to bring about his election.

Question—Do you know whether his election was unanimous or not?

Answer—I understood it was.

Question—You have no personal knowledge on that subject?

Answer—No; I was not present.

Question—Had you any communication with Sir Hugh Allan upon the subject of money to be furnished for the elections before your communication with Sir George Cartier?

Answer—No, never; at no time.

Question—You had no conversation with him on the subject?

Answer—No.

Question—Do you know how much he subscribed in all for the elections?

Answer—No; I don't know.

Question—Have you in your possession the letter that Sir Hugh Allan wrote, to which you have referred?

Answer—No. I don't keep any of these letters, nor any letters that are mere formal letters. It has always been a rule with me as soon as I have finished a letter to destroy it, unless it is an official letter to be fyled in the Department. But my own letters I destroy, and I think, by what I have seen since, that I was perfectly right in this.

Question—Do you remember the terms of that letter?

Answer—No, there was nothing special in it.

Question—Did it relate to the advance of that $10,000?

Answer—Sir Hugh Allan stated as I can recollect, that Mr. Abbott would pay me, or hand me, $10,000, and that Sir George Cartier had wished him to send it to me on my giving him a receipt.

Question—Was that the only condition in the letter?

Answer—As far as I can recollect there was no other condition than that.

Question—You have said, I believe, that you received another letter from Sir Hugh Allan enclosing the last sum you received?

Answer—No, I don't think there was any note with it, if there was any, it was simply stating that, "I send you $7,000, or $7,600, by order of Sir George Cartier." I think he must have sent some such a note as that, but I have no special recollection of it.

Question—You don't remember the terms of the letter?

Answer—No, it was nothing more than a mere business letter that might be written by one person to another.

Question—He mentioned to you that he had sent you that sum of money; did he say anything else?

Answer—No.

Question—Did he not say anything else?

Answer—He said, "by the direction of Sir George Cartier," or "by the wish of Sir George Cartier."

Question.—Nothing more than that?

Answer—No.

Question—You say you mentioned to Mr. Abbott that unless it was a free gift on the part of the subscribers to the fund you would go to Quebec, and at once return the first $15,000?

Answer—Yes.

Question—Why did you make that remark?

Answer—Because when I saw that Sir Hugh Allan, in his letter, stated that Mr. Abbott had $10,000, which he would hand me, or send me, or pay me on my sending a receipt, or giving a receipt, I thought that meant that it was not a mere subscription, and therefore thinking that the same thing might apply to the first $15,000 that had been sent, and for which no receipt had been given, I stated at once to Mr. Abbott that if this money that had been sent by direction of Sir George Cartier, was not a mere gift on the part of the subscrib-

ers, I must return it, and I was going down to Quebec and would return it at once. The reason for that was apparent. The object I had in view when I spoke to Sir George Cartier in the Session of 1872 was to see that the heavy expenditure of the elections should not fall on me, and that I should not be responsible for the whole amount, and if this had not been a mere gift on the part of the subscribers, I would have found myself responsible for the whole amount, which I would not undertake to be.

Question—You use the word "gift" in opposition to "loan"—not a loan but a gift.

Answer—Yes, that is what I mean.

I wish to add in regard to Sir George Cartier on another point. It is that from the beginning he showed his opposition to the introduction of Americans or American capital in the Pacific Railway company to be established or to be incorporated. He expressed himself so to me more than once, stating, I cannot recollect his exact words but the meaning of the conversation was this, that he would not allow the Americans to build our Railway. Their interests, commercially speaking, being different from those of the Dominion; and that we had in Canada and in England men who could find the necessary capital, and who would have the necessary skill to build this Railway. He was very positive and never wavered on that point.

Question—Do you know anything of the letter from Sir George Cartier to Sir Hugh Allan of date the 30th July?

Answer—No. I know of no letter except that which has been published in the newspapers.

There is one of that date published.

Question—Do you know of any other letter of that date which has not yet been published?

Answer—No.

Question—Did Sir George Cartier mention any such letter to you?

Answer—I never had any conversation with him about that.

To the Hon. Mr. Campbell through the Chairman:

Question—You stated that you concur in Sir John Macdonald's statement of the mode in which the present Directors of the present Company were chosen?

Answer—Yes.

Question—Did Sir Hugh Allan exercise any influence in the choice of these Directors?

Answer—No, not that I am aware of; and if he had exercised any influence there is no doubt I would have known it from the knowledge I had of the business of the Council.

Question—Did not both Sir Hugh Allan and Mr. Abbott press for the appointment of a person in lieu of Mr. Foster, when the Government arrived at the determination that no member of Parliament should be on the Board, as Mr. Foster's nominee in fact?

Answer—Yes they did.

Question—And no such appointment was made?

Answer—No such appointment was made.

Question—They continued to press for the appointment up to the last moment, did they not?

Answer—They did.

By the Commissioners:

Question—Who was the person put forward?

Answer—I think Mr. Foster's brother.

Question—And they were pressing for the appointment of Mr. Foster up to the last moment, until they were told, in fact, it was no use?

Answer—Yes.

Question—So Sir Hugh Allan exercised no influence in the selection of the persons who are on the Board?

Answer—None whatever.

And further deponent saith not, and this his deposition having been read to him he declares it contains the truth, persists therein, and hath signed.

Sworn and taken on the eighteenth day of September, 1873, and acknowledged on the twenty sixth day of said month and year.

(Signed), HECTOR L. LANGEVIN.

(Signed), CHARLES DEWEY DAY, *Chairman.*

" A. POLETTE,

" JAMES ROBERT GOWAN, *Commissioners*

PROVINCE OF ONTARIO, *City of Ottawa.*

IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. MR. HUNTINGTON in the House of Commons on the second day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this eighteenth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

SANDFORD FLEMING, of the City of Ottawa, Civil Engineer, who being duly sworn, deposeth and saith:

Question—You reside in Ottawa, I believe?

Answer—Yes at present.

I am a Civil Engineer.

Question—Do you know Sir Hugh Allan?

Answer—I know him very slightly.

Question—Do you know Mr. G. W. McMullen?

Answer—I do not know him.

Question—Have you any knowledge of an agreement between Sir Hugh Allan and Mr. G. W. McMullen, representing United States capitalists for the construction of the Canada Pacific Railway with American funds?

Answer—None whatever, except what I have recently seen in the newspapers.

Question—Were you brought in relation to the parties to that transaction at the time it was going on?

Answer—Not at all.

Question—You therefore know nothing at all about it?

Answer—Nothing of my own knowledge.

Question—Have you ever had any conversation with Sir Hugh Allan relating to it?

Answer—No conversation whatever.

Question—You were I think one of the Provisional Directors of the Canada Pacific Railway Company?

Answer—My name is in the Charter of the present company. I was not connected in any way with any of the companies that were incorporated by Act of Parliament.

Question—When did you first become interested in the movements for the construction of the Pacific Railway?

Answer—In 1871. I was called upon by the Government to conduct the surveys.

Question—That was all your connection with it until you were appointed a Director of the Canadian Pacific Railway Company?

Answer—Yes, until I was asked by Sir John Macdonald to consent to be one of the Directors.

Question—About what time were you requested to become a Director?

Answer—It must have been in January of this year, 1873. I am not quite sure, but I think it was only about two or three weeks before the date of the Charter, the Charter is dated the 5th of February.

Question—How many Directors are there upon that Board?

Answer—I believe there are thirteen names in the Charter.

Question—They are all upon an equal footing as Directors?

Answer—Yes.

Question—Who is President?

Answer—Sir Hugh Allan.

Question—Were you present at his election?

Answer—I was.

Question—Was there any difference of opinion on his election?

Answer—I don't think there was. It seemed to be agreed upon by common consent that he should be President.

Question—What were the motives which induced the unanimous election of Sir Hugh Allan?

Answer—He had taken a very active part in the whole affair, and he was one of the wealthiest men, if not the very wealthiest man. He seemed disposed to embark his capital in this enterprise to a very large extent, and it was also thought that he would as President, be better able than almost any other man to influence capitalists in England to join in the work.

Question—Was it considered an advantage to the undertaking to have him at the head of it as President?

Answer—It was then considered so unquestionably.

Question—You have extensive experience and reputation, and knowledge as an Engineer, Mr. Fleming. Can you give an opinion as to the pecuniary promise of this enterprise under the Charter. Does it appear to you to be of a profitable character?

Answer—Anything I can say on that head must be very speculative. I suppose I have had a better opportunity of judging than any other member of the Board, on account of being connected with the surveys; but I always had grave doubts about the financial success of the scheme.

Question—Did you accept a Directorship from a desire, or with the expectation of making money out of it?

Answer—I accepted a Directorship because it was pressed on me by the Premier. I hesitated very much about accepting it, and did not do so solely with the idea of making money out of it.

Question—Do you know anything about the general elections in 1872—about the raising of funds for the purpose of carrying them on?

Answer—Nothing whatever. I was not in this part of the country at the time.

Question—And nothing has since come to your knowledge with respect to these elections?

Answer—Nothing, except what anyone can read in the public papers.

Question—You stated the reasons which seemed to operate with the Board in selecting Sir Hugh Allan as President. Were they the reasons which operated with you, that is, his wealth, his position, his facility for obtaining means and so on; were these the reasons which operated with you?

Answer—I think so. Everything pointed to Sir Hugh Allan as the proper man.

Question—Had you any other reasons than those you have named, for giving him your support as President?

Answer—I never gave the matter very much consideration. Everything pointed to Sir Hugh Allan as the proper man to be President of the Company. His name was first on the list of names given in the Charter, and he had no rival.

Question—Was any influence used with you personally to induce you to support Sir Hugh Allan as President?

Answer—I am not aware of any. It seemed to be generally understood by everybody that he should be President. He seemed to have no rival.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the eighteenth day of September, 1873, and acknowledged on the twenty-ninth day of said month and year. } (Signed,) SANDFORD FLEMING.

(Signed,) CHARLES DEWEY DAY,
Chairman.

" A. POLETTE,

" JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, *City of Ottawa.* } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this nineteenth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

SIR HUGH ALLAN, of the City of Montreal, Knight, who being duly sworn, deposeth and saith:

I am a resident of Montreal.

Question—You have taken an active interest in the negociations and operations for the constructing of the Canada Pacific Railway?

Answer—I have.

Question—There are a number of letters which have been found in a package entrusted by you and Mr. G. W. McMullen, whom I suppose you know, in the hands of Mr. Starnes,

and we desire, in the first place, to prove those letters to be in your handwriting; will you take the package and examine it and state if they are so?

Answer—With reference to the parcel itself it was not I who put it into the hands of Mr. Starnes, or made it up. I cannot swear positively as to the originality of the package. I can, however, identify my own handwriting.

Question—These letters now shown to you, were they all written by you to the gentlemen to whom they are addressed?

Answer—Yes; they were private letters for private information, and not for publication at all.

Question—Are the telegrams also correct?

Answer—I think so. I have only a knowledge of their general terms.

Question—Are there any other contents in that sealed package which you can identify; that is, for instance, the sealed packet and other documents, one a letter addressed to the Hon. Henry Starnes, is that your letter?

Answer—Yes; that is my signature.

Question—Is that Mr. McMullen's signature to it also?

Answer—I think so.

There is also another envelope here containing a cheque for $17,500, and I hereby produce and fyle it marked "N."

Question—What was the letter addressed to Mr. Starnes with the memorandum and agreement?

Answer—The letter is herewith produced and fyled, marked "O."

Question—You have said that you have taken an active interest in the negociations for the construction of the Canada Pacific Railway. I will now read to you the formal charges that have been made against the Government on that subject, with the view of receiving a statement of what you know about them. Will you have the goodness to state all the facts within your knowledge relating to the subject matter of these charges?

Answer—If the court will permit me, I will read a statement which I have drawn up relating to the matter.

With reference to this statement, and any other I may make, I wish the court to understand that at this distance of time—from one to two years—during which many changes have taken place, and as a matter of course, I cannot exactly charge my memory as to conversation about facts and figures which then took place, and therefore I can only state what occurred to the best of my knowledge and belief.

The witness then made the following statement:

I have for some years past taken a strong interest in the development of railway communication throughout the Dominion of Canada, and particularly through the district of country lying to the westward of Montreal, with a view to increasing the facilities of communication between the sea-board and western America. And that, amongst other projects, my attention was early directed to the scheme for constructing a railway between Montreal as the most westerly Atlantic seaport, and the Pacific Ocean.

That in the Autumn of 1871, I learned in conversation with Sir Francis Hincks, that certain American capitalists had proposed to the Government through Mr. Waddington to organize a Company for the purpose of building the Canadian Pacific Railway, but that no action had been taken upon their proposition.

That, thereupon, inasmuch as no movement appeared to be contemplated in Canada, for the purpose in question, and I doubted if Canadian capitalists could be induced to subscribe to it to any large extent, I obtained from Sir Francis Hincks the names of the persons who had been communicating with the Government, and immediately placed myself in correspondence with them, for the purpose of endeavoring to form a Pacific Company, in advance of the measures which were expected to be taken by the Government at the then ensuing Session of Parliament.

That, accordingly, after a certain amount of negociation, I visited Ottawa in company with some of these gentlemen, and we had an interview with the Government, referred to by Sir John, on or about the 5th October, 1871. Sir John's account of that interview, accords perfectly with my recollection of what took place. On the 23rd December, 1871; I entered

into an agreement with certain American capitalists. I now produce a copy of that agreement, omitting only the names of the other signers, which I conceive I have no right unnecessarily to drag before the public.

The witness here reads the agreement, a copy of which is produced and fyled marked "P."

There was also a supplementary contract made at a future day. I had no recollection of this contract until within the last few days and if I had been asked, would have said I had never seen it. There is no question but that the contract was entered into and that I was one of the signers.

Witness here reads supplementary contract, a copy of which is produced and fyled, marked "Q."

Neither the Government as a whole, or any member of the Government, ever saw that agreement or had any knowledge of its existence as far as I know, until very recently.

On looking at the deed of agreement it will be seen that it was stipulated that the Road should be built by the route and on the terms prescribed in the Act to be passed respecting it, and it was further understood that in addition to the route north of Lake Superior a branch was to be constructed from Lake Nipissing to Sault Ste. Marie with a branch to Georgian Bay near the mouth of French River. At Sault Ste. Marie the river was to be bridged and the line carried along the south shore of Lake Superior to Duluth where it would join the North Pacific from which line another branch would lead to Fort Garry.

From Fort Garry westward to the Pacific it was intended the Road should proceed on the route afterwards determined by the surveys and it was regarded as a possibility that the northern Pacific when it got as far West as the Missouri River might be defected so as to join the Canadian Pacific, get the advantage of our easier pass through the mountains, and run on its track to some point west of the mountains where they would again separate; the Northern Pacific passing south to New Westminister, and the Canadian Pacific seeking the shore of the Pacific Ocean at such point as determined by the surveys.

I favored this scheme, because it not only gave us such a Pacific Railroad as we might desire, but also the advantage of a direct connection with the States of Northern Michigan, Wisconsin, Minnesota, and Dakotah, the traffic and produce of which would naturally find its way to and from the seaboard through Canada, as being much the shortest, and consequently the cheapest route, even for the traffic of New York and Boston.

Thus in place of, as has been alleged, sacrificing the interests of Canada to the United States, these plans, if carried out, would have been a greater benefit to Canada than any other scheme of communication that could be desired, and would have given a double communication with Fort Garry. And with regard to this agreement, I most distinctly and explicitly declare that neither in the agreement itself, nor in any conversation or negociation connected with it, was there any stipulation, statement, or expressed plan, which had for its object any retardation of the work, or any other purpose, than its completion throughout, at as early a day as would be consistent with reasonable economy in building it. And more particularly I declare that there was no intention expressed or implied, either in the agreement or in the negociations which accompanied it, of placing it in the power of the Northern Pacific Railway, or any other company, or body of men, to obstruct the enterprise in any manner or way whatever.

I am bound to say here that these New York gentlemen behaved throughout all my negociations with them in the most honorable and consistent manner.

Although the organization at first gave them a majority of Directors, when it was thought that this might give rise to objection, they at once agreed that the majority should be British subjects, residing in Canada; and they consented to abide by all the regulations and conditions that the Parliament or Government of Canada might impose upon them. They never proposed to make the Road subservient to the Northern Pacific, nor to use it in any way otherwise than for the best interests of Canada.

It was arranged that the Americans would advance money for necessary preliminary expenses, and they paid in $40,000 American currency for this purpose.

A large portion of this was spent to their perfect satisfaction, but owing to the subsequent changes in the aspect of affairs I thought it better, without any application from them to

return to them the entire amount, and I did so. There was no other money contributed by the Americans in any form or for any purpose to which I was a party.

Soon after my return from New York I wrote to Toronto with the view of enlisting gentlemen in the scheme, and the first person I applied to was the Hon. D. L. Macpherson to whom I explained the whole scheme, and asked him to join the organization. This he declined to do on the plea of its connection with the Americans.

I found the general feeling of the people in Toronto rather cool towards the Pacific Railroad, because their city did not lie on the direct line of the proposed Road, though they could not deny the great merits of the scheme in a public point of view.

They feared the western tarffic would by the proposed road be carried past them to Lower Canada.

No further steps of importance were taken by myself or associates up to the time of the opening of the Session of Parliament at Ottawa in respect of the projected company, except that I placed myself in communication with the Government, offering to organize a company which would untertake the construction of the road, and discussing the question of the facilities and aid which the Government would probably recommend to be furnished by the country, and in the course of these discussions and negociations I endeavored, as far as possible, to secure for myself the position of President of the projected company, which was the position my associates were willing to allow me; and to which I thought myself entitled from the active part which I took in the great national enterprise to which the agreement and negociations in question had reference. And as to this point I had reason to believe from the first that the Government was prepared to admit my claim.

That when the time for the Session of the Canadian Parliament approached, I applied to Mr. Abbott to prepare the requisite legislation; and shortly after Parliament had opened, I proceeded to Ottawa for the purpose of ascertaining how matters were progressing and what prospect there was of a successful prosecution of the undertaking by myself, and the persons who were then associated with me. That previous to this time, however, I had communicated with a large number of persons in Canada on the subject of the proposed Company, requesting their co-operation and assistance, and endeavouring to induce them to subscribe for stock to such an extent as I thought fair, considering their position and means.

And though I did not meet with any great measure of success in procuring subscriptions of stock, yet it was quite as great as I had anticipated when making my arrangements with the American capitalists. In my negociations with them therefore, I provided for the distribution of the stock which those gentlemen were willing to subscribe, or which I believed they would eventually be willing to subscribe upon the formation of the company, as mentioned in my letter of the 28th February, 1872, already referred to.

When I visited Ottawa as stated in the last paragraph I ascertained by personal observation and communication with the members of the House, that a strong prejudice had arisen against any connection with American capitalists in the formation of the proposed company, the fear expressed with regard to that subject being that such capitalists would find it for their interest rather to obstruct the Canadian Pacific, and further the construction of the Northern Pacific, than to act in the interests of Canada, by pressing forward the Canadian Road. And though I did not share this fear, and always believed and still believe that the persons who proposed to be associated with me would have gone on with the enterprise in good faith, to the best of their ability, yet I found the feeling for the moment so strong that I judged it expedient and proper to yield to it, and therefore consented that the legislation to be presented to the House, should exclude foreigners from the company, and that the Directors should be exclusively Canadian.

A Bill incorporating the Canada Pacific Company was then introduced into the House by Dr. Grant, who had been a prominent advocate of the Canadian Pacific scheme, and had introduced in the last previous Session a similar measure at the instance of the late Mr. Waddington and others, who were then interesting themselves in the project.

Notwithstanding that the Bill which was so introduced, contemplated by its terms the exclusion of foreigners, I did not feel by any means convinced that the Government would insist upon any such condition, believing as I did, and do, that such a proposition was impolitic and unnecessary. I did not, therefore, feel justified in entirely breaking off my connection

with my American associates, although I acquainted them with the difficulty which might arise if the Government took the same position which the majority of the people with whom I conversed at Ottawa appeared to do. I was aware that by the terms of the Bill introduced by the Government, they would have a controlling power as to the terms of the contract, and I was willing to abide by their decision as to the extent of interest, if any, which foreigners might be permitted to hold.

And until that decision was communicated to me, I felt in honor bound by the agreement I had made to leave the door open for the entrance of my American associates into the Company, unless the contingency arrived of a distinct prohibition by the Government against admitting them. And in informing them of the progress of the affair in Canada, as I did on certain occasions as an individual and without implicating the Company, of which I was a member, I consider that I was only acting fairly by them. And I did not intend thereby to bind, and as I conceive did not in any way bind or compromise, to my views, the other members of the Canada Pacific Railway Company, with whom I did not think it necessary to communicate at all on the subject of my occasional correspondence with my former American associates, the more especially as that correspondence was entirely private and confidencial, and, moreover, was written with such inattention as to accuracy of expression as might be expected in correspondence intended only to be seen by those to whom it was addressed. During my stay at Ottawa I had some communication of an informal character with members of the Government, and I found that they were still disposed to recognize the value of my services in endeavoring to organize a company, but in view of the rivalry which appeared to exist in respect to the Pacific scheme, and the strong array of Canadian names which had been obtained by the Inter-Oceanic Company as associates in its project, nothing definite leading me to expect any preference for myself or for the Company which I was endeavoring to organize, or indeed anything definite relating to the project, was said by the members of the Government with whom I then communicated. It appeared to me that while their intentions and opinions had been freely expressed to me when no Company other than that which I was proposing to organize was likely to be formed, the presence of competition amongst Canadians for the contract had decided them to allow matters to take their own course until they should have been enabled to decide after the formation of the Canadian Companies what line of conduct would be most conducive to the interests of the country. And there was, therefore, very little said or done during the Session which gave me any clue to the views of the Government with respect to the course of action which they would probably ultimately adopt.

In order to make my narrative intelligible, it is necessaay I should recall to mind the Legislation of the Session of 1872, as regards the Pacific Railroad. During that Session two companies were incorporated with precisely similar powers. The Inter-Oceanic Company, of which Mr. Macpherson was a leading member, and the Canada Pacific Company in which I took a prominent part. The Acts of Incorporation of these Companies conferred on them no grant or right to the contract. A third Act was passed, a Government measure which empowered the Government to grant 50,000,000 acres of land, and $30,000,000 in aid of the construction of the Railway, and to contract for its construction and running, either first with any Company incorporated for the purpose during that Session, or second, with any two or more companies amalgamated for the purpose, or third, with any Company which the Government might create by letters patent for the purpose.

After the Session the Canada Pacific Railway Company, of which I was a member, proceeded to organize and notified the Government that they were prepared to take the contract for building and running the Pacific Railway on the terms and conditions mentioned in the Government Act. They caused stock books to be opened in various parts of the Dominion, in conformity with the act, and took such initiatory steps and such other proceedings as were necessary to enable them to act as an organized corporate body. That it soon after became evident to me that the Government would be best pleased to see an amalgamation of the two companies incorporated by Parliament, in order that united action might be secured and the greatest strength obtained in the formation of a Canadian Company. I therefore opened negociations with the Inter-Oceanic Company, for the purpose of endeavouring to effect such an amalgamation, and at the same time the Canada Pacific Company placed

itself in communication with the Government with relation to the same subject. It was thereupon intimated that the Government were also desirous that the amalgamation should take place. That thereupon, Mr. Abbott, a member of the Canada Pacific Railway Company, proceeded to Toronto to meet Senator Macpherson, and if possible to arrange terms of amalgamation that would be satisfactory to both companies. And after a discussion of the matter during two or three days, in Toronto, between him and Mr. Macpherson, he reported to the Canada Company that there did not appear to be any material difficulty in the way of our amalgamation, except that the claim which I made to be President of the amalgamated company, and to have the nomination of an equal number of the members in the new Board to that nominated by Mr. Macpherson, could not be acceded to. Mr. Macpherson's proposal was, that he, as representing the Inter-Oceanic Company, should have the nomination of a larger number of members in the amalgamated company, than I, and that the question of the Presidency should be left to the Board of Directors. With regard to the Presidency, Mr. Abbott informed the Company that Sir John Macdonald expressed himself as being favourable to my election as President, and that any influence the Government might possess among the members of the amalgamated Company, would be exercised for the purpose of aiding in my election to that office, and that probably the difficulty as to the nomination of members to the new Board between myself and Mr. Macpherson, might be obviated in some way. In other respects he reported that he could find no divergence of opinion as to the amalgamation of the two companies between myself and Mr. Macpherson.

After receiving Mr. Abbott's report of the negociations at Toronto, I felt satisfied that no difficulty would occur in bringing them to a successful termination. And as the late Sir George Cartier happened to be in Montreal shortly afterwards, and I was taking considerable interest in his re-election, I met him and had an unofficial conversation with him on the subject of the charter, on several occasions urging that the influence of the Government should be used to procure the amalgamation upon such terms as I considered would be just to myself and the company over which I presided.

On the 29th July, 1872, I received a message from Sir George Cartier asking me to see him the next day. I requested Mr. Abbott to accompany me, and I discussed the whole question with Sir George, who stated his views fully.

He communicated to me a telegram he had received from Sir John A. Macdonald, of which the following is a copy:—

July 26th, 1872.

"Sir George Cartier, Montreal.

"Have seen Macpherson. He has no personal ambition, but cannot in justice to Ontario concede any preference to Quebec in the matter of the Presidency, or in any other particular. He says the question about the Presidency should be left to the Board. Under these circumstances I authorize you to assure Allan that the influence of the Government will be exercised to secure him the position of President. The other terms to be as agreed on between Macpherson and Abbott. The whole matter to be kept quiet until after the elections. Then the two gentlemen to meet the Privy Council at Ottawa and settle the terms of a provisional agreement. This is the only practical solution of the difficulty, and should be accepted at once by Allan. Answer.

"(Signed) JOHN A. MACDONALD."

And Sir George Cartier on that occasion gave me the assurance which he was by that telegram authorized by the Premier to convey to me.

That on further discussion with Sir George Cartier as to the course which the Government would probably take with regard to the amalgamation and the contract to be granted, I urged upon him certain modifications of the terms of the above telegram from Sir John Macdonald, and finally Sir George came to entertain the opinion that I was entitled to have certain of those modifications conceded to me, and expressed his willingness to recommend it to his colleagues. Being desirous of having as definite an expression of opinion from Sir George, as he felt himself justified in giving, I requested that he would put what he stated

verbally to me in writing, and accordingly on the 30th July, 1872, he wrote me the following letter:

" Montreal, 30th July, 1872.

" DEAR SIR HUGH,—I enclose you copies of telegrams received from Sir John A. Mac-
" donald; and with reference to their contents I would say that in my opinion, the Governor in
" Council will approve of the amalgamation of your company with the Inter-Oceanic company,
" under the name of the Canadian Pacific Railway Company; the Provisional Board of the
" amalgamated company to be composed of seventeen members, of whom four shall be named
" from the Province of Quebec, by the Canada Pacific Railway Company, four from the
" Province of Ontario by the Inter-Oceanic Railway Company, and the remainder by the
" Government; the amalgamated Company to have the power specified in the 10th section
" of the Act incorporating the Canada Pacific Railway Company, and the agreement of
" amalgamation to be executed between the companies within two months from this date.

" The Canada Pacific Company might take the initiative in procuring the amalgamation,
" and if the Inter-Oceanic Company should not execute an agreement of amalgamation upon
" such terms, and within such limited time, I think the contemplated arrangement should be
" made with the Canada Pacific Company under its charter.

" Upon the subscription and payment on account of stock being made, as required by
" the Act of last Session, respecting the Canadian Pacific Railway Company, I have no doubt
" but that the Governor in Council will agree with the Company for the construction and
" working of the Canadian Pacific Railway, with such branches as shall be agreed upon, and
" will grant to the Company all such subsidies and assistance as they are empowered to do by
" the Government Act. I believe all the advantages which the Government Act empowers
" the Government to confer upon any company, will be required to enable the works contem-
" plated to be successfully carried through, and I am convinced that they will be accorded to
" the Company to be formed by amalgamation, or to the Canada Pacific Company, as the
" case may be.

" I would add, that as I approve of the measures to which I have referred in this letter,
" I shall use my best endeavors to have them carried into effect.

" Very truly yours,

(Signed,) " GEO. E. CARTIER."

I observe that it has been stated that there was a postscript to the foregoing letter. I declare positively that there was no such thing, and I now exhibit the original letter to the Commission, in support of what I say, but I do not dispossess myself of it. An authentic copy of which, however, is herewith produced and fyled, marked "R."

I positively declared that up to the date of this letter I had not any understanding of any kind or description with the Government, either directly or through any other person than that contained in Sir John Macdonald's telegram of the 26th July, which is given above; and that telegram and the above letter from Sir George Cartier contained everything that was ever stated or agreed to between any member of the Government and myself, on the subject of a Pacific Railway project, up to that date.

On the same day that I received the above letter from Sir George Cartier, I informed Sir John A. Macdonald of the substance of it, and asked for his sanction of the views which it contained. But he declined to concur in the terms of Sir George's letter, telegraphing to him, (Sir George Cartier) that he would not agree to them, and that he would come down to Montreal and confer with him respecting them.

Hereupon I immediately informed Sir George Cartier that I should consider the letter addressed to me as being withdrawn, and to my knowledge Sir George telegraphed to Sir John that he had seen me and that as he (Sir John) objected to Sir George's letter, it had been withdrawn. I also telegraphed to Sir John on the same day (July 31st.,) to the effect that I had seen Sir George Cartier, and that he (Sir John) might return my letter or regard it as waste paper, and that I was satisfied with the telegram of the 26th., as expressive of the views of the Government.

These two telegrams are, I understand, produced by Sir John A. Macdonald with his affidavit.

I positively and explicitly declare, that excepting so far as an understanding between the Government and myself is expressed in the foregoing correspondence, I had no agreement of any kind or description either verbally or in writing, by myself or through any other person, in respect of the contract for the Pacific Railway or of any advantage to be conferred upon me in respect of it.

In one of my letters in the published correspondence, dated 6th August, 1872, I appear to have said, "Yesterday we entered into an agreement." The word "yesterday" was used inadvertantly for "recently," or "some days ago."

That this was merely a slip of the pen will appear from the letter following in the published correspondence, and which is dated the day after—7th August—in which, refering to the same agreement, I again use the word "yesterday."

There never had been anything that could be called an agreement, except that arising out of Sir John Macdonald's telegram of the 26th July, which remained untouched, Sir George's letter of the 30th July, which I have just exhibited, and my own to Sir John A. Macdonald being considered withdrawn.

As we were leaving Sir George said to me, in his usual abrupt manner, "are you not going to assist in our elections," or words to that effect.

I replied that as on former occasions I would, no doubt, do so to some extent, but I wanted to know how much he required. He said it was impossible to tell, but from the opposition raised to the Pacific Railroad project, it might amount to $100,000.

I thought this was a large sum, but I felt that the interests involved in the issue of the approaching general elections were most important in an national point of view. It seemed to me to be a question whether the policy of the Administration with reference to railroads, canals, harbors, light-houses and Emigration was to be approved of or not; that policy I thought then, and still think, deserving of the support of all those who would really care for the development of the resources of the country. In addition to these public reasons for giving pecuniary assistance to the Government in the late general elections, I had personal reasons, which will be readily appreciated even by those who cannot understand any higher motives. As a person largely interested in the carrying trade, I could not fail to desire the success of every scheme which would increase the communications with the interior of the continent.

In addition to this, my feelings were aroused by the attacks on myself personally, as well as on the Government, the ground of attack on the latter being mainly on its Pacific Railway policy, and as I approved of that policy, I therefore determined to give the Government all the assistance in my power, and in answer to Sir George's request, I asked him to state to me in writing what he wanted me to do.

In the afternoon we again waited on Sir George, and he gave me a letter of which the following is a copy:—

Private and Confidential.

"MONTREAL, 30th July, 1872.

"DEAR SIR HUGH,—The friends of the the Government will expect to be assisted "with funds in the pending elections, and any amount which you or your Company shall "advance for that purpose shall be recouped to you.

"A memorandum of immediate requirements is below.

"Very truly yours.

(Signed) "GEO. E. CARTIER."

NOW WANTED.

"Sir John A. Macdonald	$25,000
"Hon. Mr. Langevin	15,000
"Sir G. E. C.	20,000
"Sir J. A. (add'l)	10,000
"Hon. Mr. Langevin	10,000
"Sir G. E. C. (add'l)	30,000

Question—Have you got that letter in your possession?

Answer—I have and I hereby produce it before the Commission but do not wish to dispossess myself of it, an authentic copy is herewith produced and fyled marked "S"

As the letter now appears, the memorandum is for $110,000, but at the time it was written the three first items amounting to $60,000 only were mentioned. Sir George said however that they could talk of that afterwards. Accordingly I paid over the three first sums of money to the gentlemen indicated. Afterwards Sir George requested me to send a further amount to Sir John A. Macdonald of $10,000, and $10,000, to Mr. Langevin and 30,000 to the Central Committee of Elections, and the three sums last mentioned in the memorandum appended to the letter, were then added to it by Sir George. I accordingly remitted $10,000 to Sir John Macdonald, $30,000 to the Central Committee and left $10,000 with Mr. Abbott for Mr. Langevin, to be paid upon getting from that gentleman a receipt for it. In Sir George Cartier's letter of the 30th July, namely the one to which I have secondly alluded, there is an undertaking on the part of Sir George that my advances would be paid back to me. I did not see well from what source this money could be repaid, but Sir George held out some hope that his political friends would contribute to make it up. Beyond this there was nothing that I can recall as to the manner of repayment. On leaving Sir George I said to Mr. Abbott, that I saw no possibility of my ever being repaid these contributions. Neither then nor on any other occasion had I any correspondence with Sir George, as to the repayment of these sums.

I left Montreal for Newfoundland I think early in August, and only returned at the end of the month, and except by infrequent telegrams I had no communication with Montreal during that time. Among these telegrams I had two from Mr. Abbott informing me that Sir George wanted $20,000 more for the General Committee, and $10,000 for Sir John. I authorized Mr. Abbott to pay over these sums and placed the money at his disposal.

I think I also received telegrams from Mr. Abbott telling me that Mr. Langevin would sign no receipt and asking my authority to hand him the money without any receipt.

This last telegram did not reach me in time to be acted upon, and I have since learned from Mr. Abbott that Mr. Langevin gave no receipt.

I heard of Sir George's defeat while in Nova Scotia on my way back. In this way on my return I found that the limits of payments which I had first agreed to had been exceeded, and with subsequent advances they finally stood as follows:

To Sir George E. Cartier's Committee.....	$85,000
To Hon. Sir John A. Macdonald towards election expenses in Ontario.....	45,000
To Hon. H. L. Langevin towards electoral expenses in Quebec	32,600
	$162,600

I also paid for the assistance of other friends of my own in connection with the elections between $16,000 and $17,000.

These sums, with the preliminary expenses on the Pacific and various railroads in which I was engaged, more or less directly connected with the Pacific enterprise, made up the amount of my advances to about $350,000.

After the elections I made another attempt to amalgamate the two companies with the assistance of the Government, by addressing the following letter to the Hon. D. L. Macpherson:—

Montreal, September 5th, 1872.

DEAR SIR,

"I received, some time ago, a communication from the Government, informing me that "it was deemed advisable that our two Companies should unite and form one Company, for "the construction of the Canadian Pacific Railroad, and expressing a hope that the suggestion "would meet with the approval of the two Companies. No doubt you also received a similar "communication.

"In conformity with the wish of the Government, the Canada Pacific Railroad Company,

"of which I am President, is prepared to amalgamate with your Inter-Oceanic Company, and "I consider it is for both our interests that the amalgamation should take place as soon as "possible.

"I have therefore directed a meeting of the Provisional Board of my Company to be "called for the purpose of authorizing the execution of a deed of amalgamation being agreed "upon.

"I understood that the Government would approve of such an amalgamation upon the "following conditions:—

"1st. That either of the charters should be the charter of the amalgamated Company.

"2nd. That the Provisional Directors of the amalgamated company should be seventeen "in number, of whom four should be named by you, four by me, and the remainder by the "Government.

"3rd. That the Board thus constituted should elect the Provisional Chairman or "President.

"As the Canada Pacific Company has opened stock books in conformity with the Act, "and has retained them at the different points required by the Act since they were so opened, "I would suggest that the proposed subscriptions should be inserted in those books, subject "to allotment by the Provisional Board, to be constituted under the deed of amalgamation. "And the books could then remain open at such points as may be ordered by the Provisional "Board for further subscription, either in this country or in England. By thus availing our- "selves of the proceedings of the Canada Pacific Company, the time within which the Com- "pany can be regularly organized, will be greatly shortened, and the amalgamated company "will be in a position, at an early date, to proceed with the financial arrangements requisite "for commencing the work next spring.

"I shall be happy to hear from you as early as possible on the subject of these sugges- "tions, with any others which you may feel disposed to make, should you entertain the idea "of an amalgamation; and in that event you might consider it desirable to call your Board "together, in order to act in concert with our Board in carrying out the amalgamation as soon "as possible.

"Arrangements should also be made, and powers obtained, to enable us to negociate and "execute a contract with the Government.

"For this purpose a meeting at Ottawa of an Executive from each Company may be ne- "cessary, and I will be prepared to meet you there when required.

"Your obedient servant,

(Signed) "HUGH ALLAN."

"Hon. D. L. Macpherson,

"Toronto, Ont."

This offer was again rejected, and on grounds similar to those formerly given, and I made no further attempt at amalgamation, but the Government continued in their endeavors to induce the Inter-Oceanic Company to amalgamate, till towards the end of the month of November.

A little before this time, however, a memorandum was communicated to me, which had been received by the Government from the Inter-Oceanic Company, which appeared to destroy the prospect of amalgamation, and although the Canada Company endeavored to remove the objections made by the Inter-Oceanic Company, they failed in doing so, and the idea of amalgamation was shortly afterwards finally abandoned.

Thereupon the Government informed me that it was decided that the contract should not be given to either of the Companies alone, but that the Government would incorporate a new company of the prominent members of the two incorporated companies, and any leading Canadians who might be disposed to join them, and able to give assistance, and could be induced to subscribe the stock in the proportions which the government had decided upon, which proportions are those embodied in the charter. And from that time the efforts of all parties interested in the project were directed towards procuring the association together of

the most prominent men of both companies in the new company to be incorporated under the terms of the Government Act of the previous session. And it was, as the result of these efforts, that the present company was formed, composed, in a majority of instances, of gentlemen with whom I had no communication whatever, and not in any respect as the consequence of any understanding between myself and the government. From that time also, communication between myself and my former associates ceased, having finally been broken off by myself, as soon as I ascertained the desire of the Government. And I state further, positively, that no money derived from any fund, or from any of my former American associates, was expended in assisting my friends, or the friends of the Government, at the recent general elections.

That with regard to the construction which appears to be intended to be placed upon the statements in the letter referred to as to the preliminary expenses connected with the charter, I state most positively and explicitly, that I never made any agreement or came to any understanding of any kind or description with the Government, or any of its members, as to the payment of any sum of money to any one, or in any way whatever, in consideration of receiving the contract for the Canadian Pacific. I declare that I did expend considerable sums of money in various ways which appeared to me to be advantageous to the Company I had organized, and calculated to strengthen my hands in endeavoring to obtain the contract for that Company, but that I did not on any occasion or in any way pay or agree to pay anything whatever to any member of the Government, or to any one on behalf, or at the instance of the Government, for any consideration whatever, in connection with the charter or contract. As may be gathered from the letters in question, I considered it to be my policy to strengthen my position as far as I possibly could with my own friends and fellow citizens in the Province of Quebec, and more especially in so far as related to the Montreal Northern Colonization Railway, which I conceived would at some day be the outlet from the Canadian Pacific to the Port of Montreal. And a considerable portion of the money referred to in those letters was expended by me in furtherance of that project in many ways, and it was with these views in addition to those already stated, I contributed the money already referred to, but without any understanding or condition with the person receiving it.

I have already said that my subscription and loans to assist in the elections could not have been a consideration for my getting the Pacific contract as is alleged in Mr. Huntington's m tion, for on the 30th July nothing was settled. The plan then contemplated, and for months afterwards, was that of an amalgamation of the Pacific and the Inter-Oceanic Companies; the plan finally adopted was the granting of a Charter to an altogether new Company of which it is true I was a Director, but in which I had little or no choice of my co-directors and no more influence than that conferred on me by the Stock which I might hold. In point of fact some of the Directors were scarcely known to me and to the appointment of some I was opposed.

So in fact the Canada Pacific incorporated by the Act of the Session of 1872 never got the contract and never had anything approaching to a promise of it. The contract was given to a body totally different and including for the most part persons who had nothing to do with that Company.

The terms of the Charter, the composition of the Company, the privileges which were to be granted to it, the proportions in which the stock was to be distributed having been matters for negociation and settlement up to the last moment, and were only closed and decided upon while the Charter was being prepared in the early part of the present year. And the persons who finally composed the Company were only decided upon within a few days of the issue of the Charter; I, myself, being permitted to subscribe a similar amount of stock to that subscribed by other prominent members of the Company.

With reference to certain private and confidential letters published in the Montreal HERALD and to certain statements in those letters which may appear to conflict in some degree with the foregoing, I must in justice to myself offer certain explanations. I desire to state with regard to these letters that they were written in the confidence of private intercourse in the midst of many matters engrossing my attention, and probably with less care and circumspection than might have been bestowed upon them had they been intended for

publication. At the same time while in some respects those letters are not strictly accurate I conceive that the circumstances to a great extent justified or excused the language used in them. With regard to the reference repeatedly made in those letters to the American interest in the Stock of the company, as I have already stated, I had made an agreement with the parties to whom those letters were addressed, associating myself with them in a company projected for the construction of the Pacific Railway.

It was a very delicate and unpleasant thing for me bluntly to tell them that I would not carry out the arrangement; besides, although I came gradually to know how strongly opposed the Government was to the introduction of American capital and influence, and that this feeling had taken possession, to a considerable extent, of the public mind. Still I had never been formally notified by the Government that it was their intention positively to exclude foreigners and their capital, in the organization of the Pacific Company.

And in consenting to the legislation introduced into the House, I thought I was only deferring to a prejudice which I myself considered without foundation. I did not hesitate to intimate that if a suitable opportunity offered, they should be permitted to assume a position in the Company as nearly like that which they and I had agreed upon as circumstances would permit. And as I entirely disbelieved the statements that were made as to their disposition to obstruct the Canadian Pacific, and considered that they might be of great use in furthering its construction, especially in the event of a failure of the negociations in England, I had no hesitation in placing myself individually, in the position of favoring their admission into the company, if circumstances should permit of it. It was in that spirit that what is said in my private letters now published, was written to the gentlemen to whom they were addressed, and if matters had taken such a turn as to permit with propriety, of those intentions being carried out, I should have felt myself bound to adhere to them. But in point of fact, when the discussions as to the mode in which the Company should be formed, were entered upon with the Government late in the Autumn, I came to understand decisively, that they could not be admitted, and I notified them of the fact and that the negociations must cease between us, by a letter which has not been published in the *Herald*, but which was in the following terms:—

"Montreal, 24th October, 1872.

"MY DEAR MR. MCMULLEN,—

"No action has yet (as far as I know) been taken by the Government in the matter of "the Pacific Railroad. The opposition of the Ontario party will, I think, have the effect "of shutting out our American friends from any participation in the road, and I apprehend "all that negociation is at an end. It is still uncertain how it will be given (the contract), "but in any case the Government seem inclined to exact a declaration that no foreigners "will have directly or indirectly any interest in it. But everything is in a state of un-"certainty, and I think it is unnecessary for you to visit New York on this business at pre-"sent, or at all, till you hear what the result is likely to be.

"Public sentiment seems to be decided that the Road shall be built by Canadians only.

"Yours truly,

(Signed), "HUGH ALLAN."

I desire also to state further with regard to the envelope, and the papers which it contains which were placed in the hands of the Hon. Mr. Starnes shortly before my departure for England with the delegation of the Pacific Railway, that upon being informed by me that all negociations between my former American associates and myself on the subject of the Canadian Pacific Railway must cease, large demands were made upon me, by Mr. McMullen based partly upon alleged expenditure by him and partly upon a claim by him for compensation for his loss of time and service in the promotion of the enterprise, so long as he and his friends remained connected with it. These demands at first were of so extensive a character I declined altogether to entertain them. I was disposed to return to my American associates any money which they might have expended in the matter, and I was ready to compensate Mr. McMullen for the loss of his time and his expenses; but it appeared to me that the sum which

he demanded was much greater in amount than all such disbursements and expenses could possibly have reached. I felt naturally that by trusting to the honor of my correspondents, and writing to them in a manner somewhat inconsiderate, I had placed it in their power to annoy me by the publication of those letters, and I feared that the outcry which might follow their publication in the columns of certain papers which have manifested unceasing hostility to the Canadian Pacific Railway might injure the prospects of the delegation in England. I therefore authorised an arrangement to be made with Mr. Mullen by which a sum very much less than his original demands should be paid to him, the greater portion at once, but the remaining, and a considerable portion on the delivery of the letters to me, after the present Session of Parliament, should they not be published in the interval. This was accordingly done. Mr. McMullen received the greater part of the sum agreed to with him, namely $20,000, and the remainder, namely $17,500 was placed in one of those envelopes in the form of a cheque, the other envelope containing, to the best of my belief, the same letters which have been published in the Montreal *Herald* together with one or two others which do not appear there, but which would have established the rupture of all negociations between the Americans and myself. And this arrangement was made on my behalf with Mr. McMullen, without the concurrence or knowledge of any Member of the Government, none of whom were aware that the papers had been deposited in the hands of Mr. Starnes.

Question—With regard to some of these letters which are in the parcel which you have proved, I see in that of the 28th February, 1872, you name a number of gentlemen to whom the stock was to be distributed. Had you obtained the consent of these gentlemen to receive that stock?

Answer—I had not. I did not say that I had in any letter I have written. The mention was that $4,500,000 of the stock that was to be given to myself, Mr. McMullen and Mr. Smith, was to be distributed amongst such parties in Canada as we thought would be beneficial to the Company; but the intention was that they should pay for their stock the same as any one else. It was never contemplated that it should be given without payment.

Question—Was this letter intended to convey the idea, or did it convey the idea, that these gentlemen had accepted the stock?

Answer—I had no such intention. I merely stated that these would probably be the amounts we would have to contribute from our several stocks. I did not intend to convey the idea that these gentlemen had consented to accept, or had accepted it, in any form.

Question—Did any of those whose names appear here accept the stock?

Answer—None of them, unless they became Directors of the Canadian Pacific Railway.

Question—Not at that time?

Answer—No, not at that time.

Question—I see in your letter of June 12th, 1872, this expression:—"I believe I have got the whole arranged through my French friends, by means you are aware of, and we have now a pledge of Sir George that we will have a majority, and other things satisfactory. I have told you all along that this was the true basis of operations, and anything else was powder and shot thrown away, and I think so still?"

Answer—These were merely matters of conversation, and never amounted to anything like a pledge of any kind. I had been communicating with a vast number of people on the subject, and they generally received what I had to say to them favorably, and I thought I had succeeded in securing the good will of all parties regarding it.

Question—There is a letter of the 1st July, directed to Mr. Cass, in which you give a very full account of your proceedings, and a detailed history of the course which you followed for the purpose of obtaining the influence which you desired in Parliament. Will you explain the expressions which you made use of there with respect to the means of securing Sir George Cartier and the majority in Parliament?

Answer—There never was any means used to obtain Sir George Cartier or anyone else, except those I have already alluded to. In conversation with all the gentlemen, and in my intercourse with them from time to time, I was constantly talking to them on this subject, urging them to use all the means in their power, and I generally got their promise to that effect; but I did not use any improper means to acquire anything of that kind at all.

Question—The impression that would be conveyed by this would be that you used some objectionable means for the purpose of purchasing the support of these men?

Answer—I did not; indeed I did not.

Question—You state "that Sir George then proceeded to give me the contract as required, in a way that there would be seventeen provisional directors, of which Ontario would have eight and we nine, thereby giving us the control. We at once proceeded to organize a Company, and they named me President," and so on. What Company was that to which you referred?

Answer—The original Canada Pacific; but we never got any contract. It was the opposite way. In the Provisional Company I was made President. It was only a provisional company and was entirely abandoned.

Question—Am I to understand that there was such a projected company which subsequently resulted in nothing?

Answer—There was, undoubtedly; but it resulted in nothing. There were only two Provisional Companies.

Question—That was the Company you announced in your letter to Mr. Cass?

Answer—Yes.

Question—In the letters of the 6th and 7th August you state that an agreement had been entered into?

Answer—That referred to the letter on the 30th July, and to Sir John A Macdonald's telegram of the 26th July.

Question—That, you state, I think, was an inadvertent statement?

Answer—Yes it alluded to the letter of the 30th July and to Sir John A. Macdonald's telegram of the 26th July, which was the only agreement ever made?

Question—Sir John's telegram?

Answer—Sir George's letter of the 30th July, founded on Sir John's telegram, but it was subsequently objected to by Sir John and withdrawn.

Question.—Then you state in a letter of the 16th July, that Sir George Cartier announced to you that he did not intend to give the contract to your Company and that he never had intended to do so. Is that the first distinct announcement you had?

Answer—Yes; that was the first distinct announcement.

Question—There are several allegations made; you have no doubt seen the published letters of Mr. McMullen?

Answer—Some of them, but I don't think I have seen the whole of them.

Question—There is one published on the 16th July, in the Montreal *Herald*, and it contains an allegation with respect to the payment of several sums of money which he states you alleged to have paid. We will go over these sums in order that you may have an opportunity of stating what you have to say with respect to them. He says that he (meaning you) at one time announced that the $8,500 of which he speaks had been lent to Sir John Macdonald and Sir Francis Hincks, in sums of 4,000 and 4,500 respectively, with a very good knowledge that they were never to be repaid?

Answer—No such transactions ever took place.

Question—Did you ever make such a statement to Mr. McMullen?

Answer—Not to my remembrance.

Question—There is a reference to another sum of $50,000 about which you said you had some conversation with Sir Francis Hincks, and he said that at his time of life he should prefer an absolute payment of $50,000 to a percentage of the ultimate profits?

Answer—No such conversation took place. I never spoke to Sir Francis Hincks on the subject of money in my life, in any form, in this connection.

Question—Are you able to state whether you made that statement to Mr. McMullen or not?

Answer—I do not recollect any such conversation.

Question—As to the conversation with Sir Francis Hincks as to securing for his son the position of Secretary to the Company at a salary of $2,000?

Answer—That is an entire mistake which Mr. McMullen has made. Sir Francis Hincks applied to me to get his son an appointment in the Warehousing Company at Mon-

treal. I don't know how Mr. McMullen came to know anything about it, but Sir Francis Hincks never applied for his son to be employed on the Pacific Railway. He was looking for employment for his son, and I was President of the Warehousing Company, and without any reference to the railway or the contract, he happened to ask me if I knew of anything that would suit his son, and this quite casually. He asked me something about whether there was anything in the Warehousing Company likely to suit him. I said I did not know, and he never got any appointment.

Question—As to the allegation that several sums had been paid for different newspapers and $6000 to Attorney General Ouimet?

Answer—I never paid any sum of any kind to Attorney General Ouimet.

Question—What about the newspapers?

Answer—As to the newspapers I discounted a note for the proprietors of the *Minerve*, which they agreed to pay in advertising. I think that was the only transaction I had with any newspaper.

Question—What amount was it?

Answer—I think it was $4000.

Question—Then there was an indefinite loan of $10,000 to Sir Francis Hincks?

Answer—I never loaned any money to Sir Francis Hincks.

Question—In addition to the payments spoken of, Mr. Abbott was authorized to promise Mr. Langevin $25,000 to aid in the elections about Quebec on condition of his friends assistance?

Answer—I never heard of that before I saw it in the newspapers. He was not authorized by me.

Question—And Mr. Abbott reported that he had done so?

Answer—He never reported so to me.

Question—Then there is another portion of this letter to which I wish to call your attention. It is as follows:—"After having Sir George sign the agreement as stated "in the letter of the 6th August, he commenced paying money, but as he told me, having "Cartier's order in each case, and taking his receipt therefore. When making the agree- "ment he had no idea that the amount of money would be excessively large; and when it "had run up to between $150,000 and $200,000, he became alarmed and told Cartier that "he must stop paying the drafts which were coming in so rapidly unless the whole Govern- "ment would sanction the bargain. He then stated that Sir George sent to Ottawa and "received a telegram from Sir John Macdonald confirming his action. After this Allan "said he proceeded paying until he had advanced $358,000 in addition to the $40,000 "drawn from New York. I promised to submit his statement to my friends in New York, "and leave the matter for them to decide"?

Answer—I was absent from the Province during the whole of that time, therefore, the whole of that is impossible.

Question—From what date?

Answer—I left on the 13th of August, and did not return till the 3rd September, and the elections were going on during that time. A large amount of money was paid during my absence and before I went, and there was no money paid that I did not know of before I left, or did not sanction when I was away, therefore I could not positively have made such a statement.

Question—Did you at any time tell Sir George Cartier that you must stop paying the drafts which were coming in so rapidly, unless the whole Government would sanction the bargain?

Answer—No, I never had any interview or conversation with Sir George Cartier on that subject.

Question—The entire conversation you had with him was that already stated?

Answer—Yes.

Question—Do you know if Sir George sent any telegram to Ottawa on this subject, or received any?

Answer—I never saw or heard of any.

Question—You stated that the first intimation you received unfavorable to the adv on

of your American associates in the enterprise, was that letter of Sir George Cartier's of the 16th July.

Answer—Yes, of the 16th July, 1872.

Question—Had you at any time any stock in your name as a cover for the American capitalists, either in the Canada Pacific Company or in the present chartered company?

Answer—Never. No Americans that I am aware of have the slightest interest in the Canadian Pacific, either direct or indirect. I never had any stock in my name at any time that represented Americans.

Question—Can you state particularly the conversation which passed between you and Sir Francis Hincks at the first interview, when it was suggested to you to apply to American capitalists for assistance?

Answer—At this distance of time I could not give any definite statement of the conversation, but I can give the general terms. Sir Francis Hincks came to my office in Montreal, and pointed out to me the fact that owing to the union with British Columbia, a railroad of that kind would have to be built; and that the Government had begun to enquire as to the means by which it could be built, and he himself was very anxious about it. They were not prepared to do anything, and had not made up their minds respecting it; but he wished to make enquiry in order to see in what way it could be carried out when the time came. He then stated that he felt very anxious that some of our own people should take it up and not leave it entirely in the hands of the Americans. He had no objection to American connections, but he thought the principal parties in it ought to be Canadians. He told me of an interview he had had with Mr. Waddington, Mr. Smith, and Mr. McMullen. He strongly recommended me to take up the enterprise, as being one which must redound greatly to any person who carried it out. He urged that it was a great enterprise; if the promoters succeeded they would be conferring a great benefit on the country. I was very reluctant to go into it at all. I felt that it was too large a matter, and too important, for a man with so much business on his hands as myself to engage in; but he was very urgent, and finally he persuaded me to agree to enter into it. At the same time I was very reluctant to do so. He then said that the best thing to do was to put myself in communication with those parties who have applied to us; you can make your own arrangement with them. You will find those gentlemen at New York, and you will find them more likely to take it up than the people in England, because they have already constructed two railways across the Continent, and are about commencing a third. They are much more likely to undertake it than our own people, who do not know anything about it, and who would be afraid of so large a sum.

Question—Were you induced by that conversation to enter into communication with your American associates?

Answer—I was.

Question—Then I suppose you attached yourself rather strongly to the idea of building the Railway oy these means?

Answer—I did. I became, I may say, passionately enamoured of it, and determined that if it could be carried through by any means even by a large expenditure of my own money, I would carry it through.

Question—Except from Sir Francis Hincks did you receive any encouragement from the Government to enter into communication with your American associates?

Answer—No, never.

Question—From no other members of the Government?

Answer—No. They were very reticent on the subject. After two or three months had elapsed when it appeared that the West had taken up opposition to it, the Government began to indicate that they were also opposed to it.

Question—Did you ever receive any encouragement from any members of the Government except from Sir Francis Hincks?

Answer—Never.

Question—You felt a good deal disappointed at the result.

Answer—I did indeed; very much disappointed.

Question—With whom originated the idea of a new company or the amalgamation of the two companies?

Answer—I think it was with Sir John Macdonald the whole of these things originated.

Question—That was against your opinion and wish?

Answer—It was. I was satisfied that the first arrangement would have been most successful.

Question—Do you know when the Government became first acquainted with the agreement between you and your American associates of December, 1871? They were not aware of it at that time?

Answer—No, not for long after.

Question—Not at the time of the legislation of 1872?

Answer—They were aware that negociations were going on and had gone on, but they had never seen the agreement.

Question—Did you consider the telegram of Sir John A. Macdonald of the 26th July, as the basis of an agreement to be made?

Answer—Undoubtedly that was the basis and the only basis we had to go upon.

Question—Has that basis been adhered to or departed from?

Answer—As far as it could be it has been adhered to. It suggested an amalgamation, and at the meeting at Ottawa after the elections I acquiesced in all the proposals, and wrote to Mr. Macpherson, and requested him to meet me in Ottawa, to carry out Sir John's telegram of the 26th July.

Question—By whom was Sir John's disapproval of the letter of the 30th July, communicated to you?

Answer—Sir George Cartier communicated it to me on the 31st July I think; but I think it was not direct to me, but to Mr. Abbott, and through him to me.

Question—I mean the telegrams which followed the letter from Sir George Cartier of the 30th July?

Answer—I sent a telegram upon the 31st and I think Sir John telegraphed down immediately to Sir George Cartier his objection.

Question—You stated that you were a very large subscriber of money for the support of the elections. That money was subscribed about what period; can you state the time?

Answer—On the 30th July, I agreed to that amount of $60,000 or $75,000 I think, as stated in Sir George Cartier's letter. He mentioned the amount he required on that date. I agreed to that, and subsequently within a day or two before I left for Newfoundland, he stated that he wanted a further sum, and I sent him over the letter to put down what he wanted, and he did put it down. I agreed to that also. That was the last I heard of the matter until I had gone to Newfoundland, and when I was in Newfoundland, I received two telegrams, I think from Mr. Abbott, on the subject of money. These telegrams I agreed to. He telegraphed me also with regard to the receipt from Mr. Langevin, but I did not get the telegram and did not know of it at the time.

Question—The letter of Sir George Cartier, of the 24th August, of which a copy is published, is in these terms:—"In the absence of Sir Hugh Allan, I shall be obliged by "your supplying the Central Committee with a further sum of $20,000 upon the same "conditions as the amount written by me at the foot of my letter to Sir Hugh Allan, on the 30th ultimo.

"(Signed) GEORGE E. CARTIER.

"P. S.—Please also send Sir John Macdonald $10,000 more on the same terms."

What was meant by these expressions, "the same conditions" and "the same terms"?

Answer—It is difficult to say what Sir George meant by those words. He was not a man with whom you could talk very much, because in all the interviews with him he generally did most of the talking himself, and you could with difficulty say anything. I never understood exactly what he meant on any of these points. I was quite satisfied that he probably felt that he did not like to be under such very heavy obligations, and would endeavour at some future time, to make it up by subscription or otherwise. I did not think that he had any very definite idea, and I did not think it would be done.

Question—He says, "as written by me at the foot of my letter to Sir Hugh Allan, of the 30th ultimo."?

Answer—That is the recouping, I suppose.

Question—Did you ever receive any other letter from Sir George Cartier, on the subject?"

Answer—Never.

Question—"The friends of the Government will expect to be assisted with funds in the "pending elections, and any amount which you or your Company shall advance for that pur- "pose, shall be recouped to you." This is the letter to which he refers in the letter of the "24th August?"

Answer—Yes.

Question—This was all the communication in writing between you?

Answer—That was all the communication I ever had from Sir George on the subject.

Question—And you had no further conversation with him than what you have mentioned which took place on the 30th July?

Answer—I think I only saw him once or twice after the 30th July, previous to my leaving for Newfoundland. I was very much occupied and during that time we had no further conversation on the subject of the money. He did not require any more then.

Question—Had you any understanding with Sir George or any other member of the Government, or derived from any quarter that you were to receive certain advantages for the subscriptions which you gave—certain favors from the Government for the subscription which you gave—towards the elections?

Answer—Certainly not.

Question—Had you any expectation of receiving any such favors.

Answer—No, I had not the slightest

Question—Have you received any favors from the Government?

Answer—I have not.

Question—What is your position in the Canadian Pacific Railway Company?

Answer—I am President of the Company.

Question—Have you any other advantage than that?

Answer—None whatever, except the paying out of money.

Question—Were you elected President through the influence of the Government?

Answer—Not to my knowledge. I am not aware that the Government exercised any influence over any one. I was elected unanimously, and many of the persons I had never seen before, and did not know.

Question—What was your motive in subscribing so largely? I will ask you a preliminary question. Had you ever subscribed so much in any previous election?

Answer—Never anything like it, and on this occasion I was actuated by a variety of motives. They did not all come into operation at the same time but from time to time. I was very desirous to support the present Government in its commercial views. The policy that it had inaugurated was entirely according to my feelings and wishes as being right and proper for the development of the country, and for the advantage of the Dominion. They had undertaken a very large emigration scheme, and very large canal expenditure, so as to make our internal communications superior to any other country, and to bring down all the produce from the west in this direction, which I was very much interested in their doing. They had undertaken to enlarge the harbor of Montreal to a very great extent. They had undertaken and built a vast number of lighthouses all through the Dominion, and their commercial policy was of the most enlightened character, and such as I entirely approved of; and I thought it was my duty, therefore, to sustain that policy, and I was to a large extent influenced by that motive, partly, of course, in consequence of my own interest in it, and partly in consequence of the great development of the country which it was sure to bring about. Then again I was interested in the Northern Colonization Road. I had expended a large sum of money in bringing it to the point it had then reached. Its prospects were not so brilliant at that time as they are to-day, and there was some doubt whether it would go on or not, but I saw at once that if the Pacific Railway was built, the Northern Colonization Railway would become a necessity. Montreal especially could not do without it; could not do without a

direct connection with the Pacific. That road would have carried all the trade which the Pacific Road might bring across the Continent for shipping by sea. I had a further interest inasmuch as the members of the present Government, were among my own friends and acquaintances; I had known them for many years, and although I am no politician myself, and never voted at a Parliamentary election in my life except once, yet the members of the Government were persons with whom I was always in contact, and I wished to assist them in every way possible. I was also interested as being largely engaged in the carrying trade, and I saw that my interest was to support the present Government in their position.

Question—You had a very large sum of money invested in your steamships and other enterprises in the country?

Answer—A very large sum.

Question—This sum which you gave amounted to nearly $400,000; was that not sufficient to cramp you or distress you very much in your monetary affairs?

Answer—Not at all; I gave it entirely from my own funds. I never borrowed any or asked any from any one. I never encroached on the moneys of the firm. I did not even speak to my brother on the subject, and never drew a shilling from the firm for the purpose. It was entirely out of my own pocket.

Question—Do you know how this money was distributed; how it was spent?

Answer—I know nothing about it.

Question—Sir George Cartier's interview with you was on the 30th July. When he asked you to subscribe, was any allusion made to the contract for the Pacific Railway?

Answer—No, not more than the fact that the letter was written that morning.

Question—He did not say "you have helped us, we will help you?"

Answer—No.

Question—Did he intimate anything of that kind?

Answer—He did not.

Question—Sir George Cartier in his letter of the 30th July, mentioned about your being repaid or recouped, I think is the word he used. What did you understand by that; by whom were you to be recouped?

Answer—That is one of the points on which Sir George did not give any explanation.. He talked in his usual abrupt manner about money and he said he would get up a subscription, among the party to pay me back or at least a portion of it. He did not suppose that he would be able to realize the whole of it, but he talked about getting up a subscription to pay back a portion of it. I myself did not believe that anything of the kind could be done, therefore I placed no confidence in the statement.

Question—Was there anything to justify you in supposing that it would be repaid out of moneys to be devoted to the construction of the Pacific Railway?

Answer—It was impossible, and it could not have been done if he had.

Question—Do you know the Hon. Mr. Foster, Senator?

Answer—I do.

Question—Was Mr. Foster present at any interviews you had with Mr. McMullen?

Answer—I could not say in reality, I am not certain.

Question—Have you ever had any conversation on the subject of these matters with him, which are stated in Mr. McMullen's letter?

Answer—I never had any conversation with him on the subject of the Pacific Railway at all, except that he was very anxious to become a Director, and I was very anxious to have him one. That is the only point on which I had any conversation with him. He never spoke to me about any of the other matters referred to, so far as I remember.

Question—Can you not say whether he was present or not at any interview you had with Mr. McMullen?

Answer—No, I cannot say.

Question—Did you ever speak to him on any of the subjects respecting those payments of money, or the other allegations made by Mr. McMullen?

Answer—Not that I remember. I think I never did. I may have had a conversation, but in a very slight and indirect manner with Mr. Foster on this subject; but I don't remember ever speaking to him about it.

Question—You say that you were absent from the 13th of August to the 3rd of September?

Answer—I think those were the dates.

Question—Have you with you any memorandum from your books showing when the different payments were made, and to whom they were made?

Answer—I have not.

Question—Can Mr. Abbott state when these payments were made?

Answer—I cannot say. He would be more likely to be able to state them than I would. These different payments were made, I think, as stated in the letter published. I think on the 14th of August a further payment was made in my absence.

Question—Then all the sums except that amount paid on the 14th of August would, I understand, probably have been paid before you left?

Answer—Not the whole of them; probably more than one was paid after I left. I think Mr. Abbott paid three sums after the 13th August.

Question—Would you have the goodness to look at that letter from Sir George Cartier, of the 30th July. I observe that the body of the letter is not in his handwriting, but the signature is his. In whose handwriting is the body of the letter?

Answer—I think it is Mr. Abbott's writing.

Question—Mr. Abbott stood in confidential relations to you apparently. What were they? What was the position in which he stood towards you? Was it as a professional adviser or otherwise?

Answer—Scarcely as a professional adviser, and yet, to some extent, it was so. He was deeply engaged with me in all these railway schemes, and as such we had become closely allied in all matters of this kind. He was with me at all the interviews I had with Sir George Cartier, and I did nothing on any point without consulting him.

Question—Then he was present at the time Sir George Cartier made this appeal to you to subscribe for the assistance of the Government at the elections?

Answer—He was, but his recollection of what took place differs a little from mine. While I think he mentioned $100,000, Mr. Abbott thinks Sir George did not mention any sum, but only spoke of a large sum.

Question—Was he present at the interview from the first to the last?

Answer—He was.

Question—And had the means of knowing all that passed on the occasion?

Answer—He had.

Question—Did he, or did you, or did Sir George suggest a letter of request to be put in written form?

Answer—I did.

Question—Were the terms of the letter settled at that time?

Answer—They were settled by Sir George himself, I think, without consulting us. He dictated the letter I think to Mr. Abbott, without allowing any interference.

Question—Then this letter was written at the time?

Answer—I am not sure whether it was written at the time or during the interval between the morning and afternoon.

Question—You saw him again in the afternoon?

Answer—Yes.

Question—Was Mr. Abbott present then?

Answer—Yes.

Question—Was it then that the letter was signed?

Answer—Yes.

Question—Had you any conference in the meantime with Mr. Abbott as to the terms of that letter?

Answer—I had not. We did not know what Sir George wanted or how he proposed to state it at all. We were not going to dictate to him what he should say.

Question—I should like to hear again if you remember the way in which Sir George approached the subject of a money subscription?

Answer—It was in a very abrupt manner. As we were going out at the door after

arranging the first letter of the 30th July, he turned about and said: "Will you help us at our elections?" or "are you going to help us?" or something to that effect.

Question—Did you make a reply?

Answer—I did.

Question—What was it?

Answer—I said that I had been always in the habit of giving something to the Elections and no doubt I would do so on this occasion.

Question—Who spoke next, what was next said?

Answer—I am not sure, but I think it is possible that I said to him "to what extent will you require assistance" or "what do you want" and I also suggested that he should put in writing what he wanted.

Question—Your recollection is that he said $100,000 would be wanted?

Answer—Yes, Mr. Abbott thinks he did not mention any definite amount.

Question—After he named that sum, what did you ask him to do?

Answer—To put the request in writing.

Question—Why did you wish the request in writing?

Answer—I wished to have some authority for payment, and to know what I was doing?

Question—What purpose did you think that would serve?

Answer—Nothing beyond being more satisfactory to myself. Men of business generally require things to be done in that way.

Question—I understood you that notwithstanding what Sir George Cartier had said about making a subscription among his friends, and raising some portion of the same, you yourself had little hope of being recouped?

Answer—Very little hope indeed.

Question—Why did you think it necessary to have this letter written?

Answer—Simply because, as I thought, as a man of business, I should have an authority for the large sums of money I was going to pay.

Question—This then is the only document that you have which relates to any agreement or arrangement in respect of that money between you and any member of the Government, or the only one that was ever executed?

Answer—The only one that I know of.

Question—And no understanding or condition was made, though not expressed in writing as to the receipt of that money, or as to the mode in which it was to be recouped, or as to some advantage which was to be given to you?

Answer—None whatever.

Question—I observe in the letter of the 7th August you speak very definitely. Have you a copy of that letter with you?

Answer—I have not.

Question—The words used are these:—"It is unnecessary to detail the various phases "through which it passed, but the result is that we yesterday signed an agreement by which, "on certain monetary conditions, they agree to form a company, of which I am to be Presi- "dent to suit my views, to give me and my friends a majority of the stock, and to give the "company so formed the contract for building the road on the terms of the Act of Parlia- "ment." You explain that in using the word "yesterday" in your letters of the 5th and 6th of August, written to General Cass and Mr. McMullen, you merely meant to convey the idea that it was recently, the letters having been written in a hurried manner, you never supposing they would be published, and in both you refer to this document and this only?

Answer—I referred to both letters.

Question—And this letter goes no further than what is contained in both documents?

Answer—No further.

Question—You say "signed an agreement." You were aware that any document which Sir George Cartier signed would not bind the Cabinet?

Answer—Yes, I was aware of that.

Question—Then why did you use the expression "signed an agreement?"

Answer—It was the expression used in the hurry of the moment, undoubtedly the agreement was just so made.

Question—Was it upon any opinion you had expressed in a letter of the 1st in which you say: "On a calm view of the situation, I am satisfied myself that the decision of the ques- "tion must ultimately be in the hands of one man and that man is Sir George Cartier, the "leader and chief of the French party, who has held the balance of power between the other "factions and has sustained and kept in office and existence the entire Government for the "last five years." Did you take what Sir George Cartier did as according to your view of the situation equivalent to an agreement with the whole Government?

Answer—No, I cannot say that I did. I looked upon it simply as an agreement that he would promote our views when the time came, in the cabinet, and until the telegram was made known to me that Sir John Macdonald declined to accede to it, I looked upon it as a kind of agreement.

Question—You are still more definite in your letter to Mr. McMullen of the 6th, wherein you say "He yesterday signed an agreement by which on certain monetary conditions they "agreed to form a company of which I am to be President?"

Answer—These were merely expressions made use of in consequence of the communication with Sir George Cartier. I had no communication with the Government at all.

Question—And the only documents embodying what you have called an agreement are contained in this letter of the 30th July, by Sir George Cartier, and one other letter?

Answer—The only ones.

Question—This letter of the 30th July, will you have the goodness to look at it, the longer letter of the 30th July. In whose handwriting is that letter, the body of it?

Answer—There are two writings in it, and I do not know either of them.

Question—When was that signed?

Answer—It was signed, I should think, between twelve and one o'clock on the 30th July.

Question—On the occasion of the first interview?

Answer—Yes.

Question—On the first interview you say the money was spoken of?

Answer—Yes, at close of it.

It was immediately after that interview that that letter was signed, and immediately afterwards the money was spoken of.

Question—Was anything said about money before the longer letter of the 30th of July was signed.

Answer—Nothing whatever.

Question—Was Mr. Abbott present on that occasion also?

Answer—Yes.

Question—I do not desire to press the question which I am about to put, but I should like you to answer it if you have no objection. It seems a very large sum for anyone to give towards such a purpose, and as I only know by report your means and the extent of the capital employed in the various undertakings in which you are engaged in connection with Railway and other great enterprises; if you have no objection I should like you to give a general statement of the amount of capital you have in these undertakings. Of course it is a question I do not press if you do not choose to answer?

Answer—I have no objection to answer. I consider that my property invested in various ways connected with the country, in business of all kinds, amounts to about $6,000,000.

Question—Then all the interest that you speak of in connection with your investments in this way would be promoted by the policy of the Government?

Answer—It was with that intention that I supported them.

Question—Was there any discussion as to the exact terms of this longer letter before it was signed?

Answer—I think there must have been.

Question—Do you remember what it was?

Answer—I am not quite certain what it was, but I think I probably wished to have a larger amount of influence in the Company than the Government were willing to give me, and I think it was probable that that was the point that we discussed together. I think it

was entirely the organization of the Pacific Railway, and I think it only referred to the amount of influence I would have in it and nothing else.

Question—Claims made by you for more favorable terms and not conceded by Sir George?

Answer—Yes.

Question—Are you aware that Sir George at one time, according to the evidence before us, had an opinion entirely unfavorable to the introduction, not merely of American control, but of American capital into this enterprise?

Answer—I am aware that he had up to the very last moment, when the ultimate contract was signed, and on that day when I had the interview with him in regard to this matter, one of the conditions was that no American capital or control was to be introduced into it.

Question—Did you at any time consider him hostile to the interests you were desirous of promoting?

Answer—I did.

Question—Up to what period did you consider him decidedly hostile to the interests you thought it desirable to promote?

Answer—Up to the time that a Committee of his constituents came up to Ottawa and visited him, for the purpose of influencing him on the subject. There was a large meeting held of his principal supporters in Montreal, and they entertaining the opinion generally held in Montreal, as to his hostility to the organization we had formed, appointed a Committee to come to Ottawa and assure him, that if he continued that hostility, he would not be re-elected for Montreal. I understood from them afterwards, that Sir George had agreed to abate his hostility and forward the views expressed by his constituents as far as possible, but I have no doubt it was that hostility which caused the loss of his election in Montreal.

Question—When was that deputation?

Answer—I think it was during the Session of Parliament.

Question—That is the one Mr. Leblanc speaks of?

Answer—The same.

Question—You used all the influence you possessed in endeavouring to mould public opinion in unison with your own views; were you in any way instrumental in stimulating the feeling that prevailed in favour of views which Sir George did not approve of?

Answer—I was no doubt very influential in raising public opinion in Montreal, in favor of the scheme, and there is no doubt that meetings were held and means were used, to diffuse information, which had a great effect in causing a feeling to arise against Sir George Cartier.

Question—Did you know anything of this deputation waiting on Sir George Cartier during the Session; did you know anything of it before it was formed, or of the intention to form it before it was formed, or when did you first become aware of the appointment of the Committee?

Answer—I first heard of it in Montreal. There was an intention of sending up a Committee for the purpose. I was aware that they had held a meeting and appointed a deputation, but I did not know anything about what the instructions to that Committee were, or what the action of the Committee was.

Question—When did you first discover that there was a change in Sir George Cartier's views, or that yielding to the pressure of opinion he was disposed to change them.

Answer—Immediately after the deputation called on him. I was at Ottawa within a few days of or at the time the deputation was here. I happened to meet Sir George and I thought I observed some change in respect to his views.

Question—Can you fix the date of that?

Answer—I cannot.

Question—Was Parliament in Session at the time you met Sir George?

Answer—I think it was. I think it was within a day or two after that deputation was up here.

Question—You were with a deputation that waited on the Government at Ottawa?

Answer—Yes.

Question—What is your recollection of what occurred on that occasion. What gentlemen were with you representing the interests you were desirous to promote?

Answer—Mr. Smith, Mr. McMullen, and myself, I think were the only ones to represent that interest. There was perhaps another, but I think there were only three. I think the members of the Government numbered altogether nine or ten, and the discussion was participated in by Sir Francis Hincks and the deputation. Sir George Cartier never spoke during the whole time. Very few of the other members spoke at all. No opinion was expressed by the Government on the subject.

Question—Do you remember what was said?

Answer—I remember that I explained to them the route by which it was proposed to take the Railway, the advantages it would give to the Provinces, the means by which it could be built and the results that would probably arise from it. I don't think anything was said by any Member of the Government except merely asking explanations on points which they did not quite understand.

Question—Was that the interview at which you were asked to make some proposal?

Answer—It was.

Question—What did you say?

Answer—I said "are you prepared to accept a proposal if I make one?" Sir John replied "we are not prepared to accept any proposition," then I said "I am not prepared to "make one."

Question—Returning to the money question once more, I understand you to say that you had no hope or expectation of receiving that money back again?

Answer—Not the slightest.

Question—You say you got this paper as a sort of business matter, did you make any entry in your Books as to the disbursement of that large sum of money?

Answer—In my own private books.

Question—What was the form of the entry?

Answer—I don't keep it in regular style and make entries in it.

Question—Is there any entry made which would indicate any source from which you expected to have those large sums repaid to you?

Answer—A considerable portion of the money was expended in the Northern Colonization Road. I do expect to get back some portion of that money because it was legitimately expended for Railway purposes. There was a large amount of money expended on the Pacific Railway, I having paid all the preliminary expenses connected with it. I do not expect to get that back; in all probability I will not. There was a large sum expended on the Ottawa and Toronto Railway. I think when that comes to be organized I will get that back. I have paid for surveys and paid the commissioners for getting bonuses from the municipalities, altogether quite a large sum of money, and I expect to get that back. The portion of money paid to assist in the elections directly I don't expect to be repaid.

Question—That is the money you disbursed to Sir George Cartier, Mr. Langevin and Sir John?

Answer—Yes.

Question—And the subsequent moneys, paid through Mr. Abbott?

Answer—Yes, amounting in all to $162,000.

Question—Did you make any entry in your books about those particular sums. Did you separate them?

Answer—No, I don't think I did. I imagine that my books contain merely a memorandum of the payments.

Question—And you have no claim in any way for their repayment?

Answer—No, not in the slightest.

To Sir John A. Macdonald through the Chairman:

Question—As I understand it, then, the agreement between you and the Government, or any member of the Government, may be considered to be confined to my telegram of the 26th July?

Answer—I think so.

Question—At the time that that telegram was sent to Sir George, on the 26th July,

there had been no conversation with him or any one about helping to contribute to the elections?

Answer—No, not at all; it was after that.

Question—It was after that, so that as far as that agreement was concerned there was no connection between your subscription to the elections and that telegram?

Answer—None at all.

Question—When Sir George and yourself entered into this agreement of the 30th July, varying the terms of my telegram, its terms were settled before there was any discussion about money matters?

Answer—Yes, immediately after those terms were settled the discussion about money matters came up.

Question—Then his letter, my telegram to him of the 26th, and his letter of the 30th July, were all before the conversation took place about the money matter. Then on receiving my telegram, or after having ascertained that I objected to the agreement of the 30th July, you replied to me next day that I might treat your letter as waste paper?

Answer—I am not sure what day it was, but it was a day or two afterwards, at all events.

Question—You authorized Sir George also, to telegraph me that your letter might be regarded as waste paper, and that the agreement was my telegram of the 26th July?

Answer—I did.

Question—Therefore, any sums you may have advanced to aid in the elections, must have been after you were aware that I had rejected that letter of the 30th July of Sir George?

Answer—I cannot say when the actual payments were made.

Question—The agreements were made on the afternoon of the 30th July, and on the 31st you replied that your letter was waste paper?

Answer—I am not sure when the payments were made, but I regarded them at all events, as having been paid without reference to that matter.

Question—You say that you considered it to be to your interest to support the Government and its policy in the various subjects you have mentioned?

Answer—I did.

Question—And that there was a danger that that policy might be discontinued or reversed in case of a change of Government?

Answer—I apprehended it might be so. I did not know that there would be, but I apprehended that there might be.

Question—Now in that communication in that paper, respecting the recouping, he (Sir George), says, "You or your company." What company does it refer to?

Answer—I am not able to explain what company was meant. I can only judge from analogy. Sir George had said before that the Americans were to have nothing to do with it, therefore he could not have meant them. The Canadian Pacific Railway Company was not formed except provisionally, and had no fund. The only other company that he could have possibly meant, was my own firm, and that never paid any of the money.

Question—Sir George did not know of the agreements between you and the Americans, and could not have any reference to them?

Answer—No; he did not know anything about it.

Question—You never showed him that agreement, or made any communication to him on that matter?

Answer—I did not, nor to any member of the Government.

Question—And you kept that away even, I take it, from the other gentlemen connected with the Canada Pacific Railway?

Answer—Except talking about it in general terms to Mr. Macpherson and the other gentlemen in Toronto; there was no knowledge of it whatever.

Question—Sir George did not know of it; you never told him?

Answer—No, he did not know of it; at least not from me.

Question—I need not ask you about the loan to me of $4,000?

Answer—I have clearly stated that.

Question—Not a word of truth in it?

Answer—None.

Question—Not only no $4,000, but no dollars at all nor cents?

Answer—None.

Question—You have stated that you did not give authority to Mr. Abbott to make arrangements with Mr. Langevin as spoken of in Mr. McMullen's letter?

Answer—I do not remember speaking to Mr. Abbott at all on the subject.

Question—I remark that you state that you gave a discount to *La Minerve* newspaper. Was that a business transaction?

Answer—A business transaction entirely.

Question—Had it any reference at all to the Government or to the Pacific Railway?

Answer—Not the slightest.

Question—As a matter of fact, was that arrangement between the proprietors of *La Minerve*, or with the individuals composing the firm?

Answer—It was not with the proprietors of *La Minerve*. It was with an individual and not with the Company.

Question—You made them a discount at your Bank?

Answer—I don't remember whether it was through the Bank or through myself. It was for a small amount; a mere business transaction.

Question—Then there was no agreement?

Answer.—None.

Question—Was there any telegram from me to you approving of or confirming the proceedings of Sir George Cartier as stated by Mr. McMullen?

Answer—You did not telegraph me at all that I knew of

Question—You received no telegram from me approving of Sir George Cartier's arrangement and the only acquaintance you have of any telegrams from me was one disapproving of it?

Answer—Exactly.

Question—I see that Mr. McMullen speaks in this interview about your being a large gainer, and that you would be recouped by the Government deposits, to a large extent, in the Merchants' Bank?

Answer—The Merchants' Bank has the smallest amount of Government deposits of any Bank of the same class, so that was quite impossi The Merchants' Bank collects at various points for the Government, where its other agents have no branches, so there is a very small amount there, much smaller than is usual in other Banks.

Question—Do you happen to remember the amount?

Answer—It varies every day.

Question—Can you state the average?

Answer—I think it is from $200,000 to $300,000.

Question—Any profits that might be made on these deposits, to whom would they go?

Answer—To the shareholders of the Bank, of course.

Question—And not to Sir Hugh Allan personally?

Answer—By no means.

Question—You get your portion?

Answer—Yes, my share of the dividend, that is all.

Question.—Mr. McMullen states that you prepared a memorandum, setting forth all the telegrams, correspondence, and everything connected with the Pacific Railway, and threatened the Government to publish it, and that then they came to your terms. Is there any truth in that?

Answer—None whatever.

Question—Did you ever make any communication approaching to it?

Answer—None whatever.

Question—It is altogether a falsehood?

Answer—Entirely.

Question by the Commission.

Had you any communication from the Government respecting the suppression of these letters ?

Answer—None whatever.

Question—Or from Sir John, Sir George, or any other member of the Government ?

Answer—None whatever.

Question by Sir John Macdonald.

There is a statement by Mr. McMullen that I sent you a telegram stating that you had "a big thing," and "must shell out." Did you ever get such a telegram ?

Answer—I never got such a telegram.

Question—Or anything like it ?

Answer—No, nor anything like it.

Question—When in one of your letters, which has been referred to, to Mr. McMullen, or Mr. Cass, I forgot which, you say "by the means you know of," did you refer to pecuniary means, or political exertions by yourself, or how ?

Answer—I dont know.

Question—What did you mean when you said in your letter of the 1st July, 1872, that means must be used to influence public opinion ?

Answer—It meant simply by newspaper articles and means of [illegible] kind.

Question—Working up the public excitement and so on ?

Answer—Yes, the usual way in which such things are done.

And further for the present, deponent saith not.

And on this 25th day of September, the said witness re-appeared and made the following addition to his foregoing deposition:

In answering the question "Was anything said about the money before the longer letter of the 30th July was signed." I wish to say that nothing was said about money previous to the terms of it being agreed upon, but reference was made to it in a later period of the day.

And further deponent saith not, and this, his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the nineteenth day of September, 1873, and acknowledged on 25th day of said month and year. } (Signed), HUGH ALLAN.

(Signed), CHARLES DEWEY DAY,
Chairman.

" A. POLETTE,

" JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa. } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the HON. MR. HUNTINGTON in the House of Commons on the second day of April, A.D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this nineteenth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

THE HONOURABLE JOHN J. C. ABBOTT, of the City of Montreal, Advocate, who being duly sworn, deposeth and saith:

Question—You reside in Montreal?
Answer—Yes.
Question—You are an Advocate?
Answer—Yes.
Question—And a Member of the House of Commons?
Answer—Yes.
Question—Do you know Sir Hugh Allan?
Answer—I do.
Question—Have you been connected with him of late years in railroad operations?
Answer—I have been associated with him in two or three railroad enterprises during the last year or two.
Question—Do you know Mr. G. W. McMullen?
Answer—I do.
Question—You are aware of the charges relating to the construction of the Pacific Railroad, and the furnishing of money for the elections, recited in the Commission. Will you have the kindness to state in detail what you know of these matters?
Answer—My first interview with Sir Hugh Allan on the subject of the Pacific Railway, was very shortly after the Session of 1871. Then I suggested to him that this enterprise would be a fit object for a gentleman of his position and wealth. To that he replied, "Well, put down your ideas in writing," but this I did not do for reasons which it is unnecessary to mention now. I did not take any further steps then. The next I heard of the Pacific Railroad from Sir Hugh was when he called on me in Montreal, I think in the month of March, 1872, and asked me if I would assist him, as he was going to take up the enterprise. I agreed to do so, and shortly afterwards I met Mr. McMullen at his house in the evening, at a dinner party or something of that sort. He (Sir Hugh) then told me that he had made an arrangement with certain American capitalists to form a company to build this road; that he had been in communication with the Government about it, and that he thought they could organise a company that would build it, and that they would get the contract. As far as I recollect, he did not show me either the contract or the supplementary contract on that occasion. In fact I did not see either the one or the other until within the last few days, except the contract which I saw for a moment

at Montreal in the early part of this year, at a meeting I had with Mr. McMullen and two of his friends, and I have not yet read them carefully. He said that the Americans had sketched a Bill for the incorporation of the company; that they thought the best mode of getting the road built was by a corporation, and he gave me these two Bills as a sort of basis for the preparation of the Legislation that was required for the incorporation of the company. I took them, and that was about all that passed on that occasion. I was not told who the people were, and I think did not know until a very considerable time afterwards, except that one of them was Mr. J. Gregory Smith. I did not know that there had been any formal agreement executed at that time, or if I had heard that there was, I did not know its nature. It amounted to this, that Sir Hugh Allan, probably recollecting my suggestion to him of the previous year, and knowing that I was frequently engaged in my professional capacity, in the organizations of corporations, applied to me to prepare the necessary Legislation for the company to build the road.

I undertook to do that, and shortly afterwards Parliament met.

I don't know that I had any further interview or conversation, either with Sir Hugh Allan or Mr. McMullen, until after Parliament met. I came up to Ottawa about the first week of the Session, and I found that there was a very considerable feeling in the House against the admission of American influence into the Pacific Railway. In fact I suggested to Sir Hugh Allan and Mr. McMullen that there probably would be such a feeling, and that if they attempted to give to it the character of an American Company, they might not succeed in passing their Bill. When I reached Ottawa, however, I found this feeling much stronger than I had anticipated, and I found then for the first time that a company had been partially organized in Upper Canada. A number of names had been got which were understood to be pledged to the formation of a company to exclude American capital and American control. I conferred with a good many of the Members, and with some of the Ministers in a general way about this, and I saw plainly that no Charter to incorporate a company to build the road with American capital, or leaving the control of it in the hands of Americans, would be sanctioned by either the House or the Government. A short time after this Sir Hugh Allan came himself to Ottawa; I think I asked him to come, and I told him what I thought was the position of affairs, and that unless he set himself to work to organize a Canadian Company, and abandon his American project, he could not succeed in what he wished to do.

Question—About what time was this?

Answer—About three weeks after the opening of the Session. It must have been about the end of April, I should suppose. I had two or three conversations with Sir Hugh Allan on this point, and Mr. McMullen himself had been here before that, and I had expressed the same opinion to him. I told Sir Hugh this in the presence of Mr. McMullen, and after some consideration, Sir Hugh authorized me to proceed with the preparation of a Bill for the incorporation of a company that would entirely exclude American influence and American capital. I should not say American capital, we could not exclude that if people chose to put it in, but entirely to exclude American influence. And I understood from that moment that any agreement that had been made with American capitalists was at an end. Subsequently I told Sir John Macdonald our conversation; and I also approached Mr. Macpherson, and suggested to him, that as Sir Hugh Allan and his friends were willing to go into a company composed entirely of Canadians, and entirely under the influence and control of Canadians, it would be better if he and his party which was strong, should join with Sir Hugh Allan and his party which was also strong, in forming one company for the purpose of taking up this enterprise—that is one Canadian Company. Mr. Macpherson was not convinced that the connection between Sir Hugh Allan and his American friends had ceased, nor that the influence of those people had ceased in the company; and this was one of the reasons, though not the only reason for his not yielding to my suggestion to form but one strong company—the strongest company the Dominion could raise, to proceed with the

building of the road. Consequently I then prepared a Charter for the Canada Pacific Railway Company, which was the name given to the company of which Sir Hugh Allan was the prominent man, and the Charter of the Inter-Oceanic Company was subsequently prepared and printed in nearly the same language.

Question—They were incorporated by statute?

Answer—Yes, but the incorporation did not take place for a considerable time after that. I think the Canada Pacific Bill was printed first, and the Inter-Oceanic Bill afterwards, containing the clauses of the Canada Pacific Bill, and a few more, and the matter remained in that position until about the beginning of June. The policy of the Government as I understood, during that interval, was not settled with regard to those Companies; that is to say, they seemed to be unwilling that the incorporation of private companies should proceed until their own measure, laying down the principles upon which they were prepared to act in carrying out the enterprise, should have either passed the House, or made such progress before the House, as would enable every one to know what the project was really to be.

After this took place, the Bills were allowed to go before the Standing Committee on Railways.

Question—The policy of the Government then to exclude American influence was known before these Acts of incorporation were passed?

Answer—It was known in this way, that every one knew that there was a strong feeling on the part of the Government against American influence. No one knew as far as I am aware, that there had been any distinct decision by the Government, but yet every one in the House distinctly understood, that either the Government, or the greater number of the gentlemen composing the Government, were opposed to American influence being introduced into the company, and more especially was Sir George Cartier known to be opposed to it. I know myself that on several occasions he expressed himself strongly against the admission of American influence, and appeared to show rather a hostile feeling towards the Allan Company; and to have the idea that they did intend to take the Americans into their organization. For some time he appeared to have that feeling. About the first week in June, I think, the Bills were allowed to go to the Committee.

The Government Bill having been introduced, and its terms made known, the other two Bills were allowed to go to the Committee, and they were passed in exactly the same language. I do not think that there was any difference in them from one end to the other, except in the names of the corporators. The Canada Pacific Company's Bill had been framed with a clause, excluding absolutely all foreigners from being members of its Board, but the Inter-Oceanic Company's Bill, as prepared, provided only for the exclusion of a majority of foreigners from its Board, and permitted a minority of the company on the Board. Before the Committee, the form of the clause adopted by the Inter-Oceanic Company was inserted in the other Bill, and I believe that both stood, and for that matter stand to this day, allowing a minority of foreign Directors; but up to that time there was this difference, that the Canada Pacific Company had provided for the exclusion of all foreign Directors.

Question—That is, the draft Bill that you prepared for the Canada Pacific Company expressly excluded Americans?

Answer—Yes, it excluded all foreigners.

Question—The other Bill was in the terms you state, providing for a majority of Canadians?

Answer—Yes. The Bills were read a first and second time and referred to the Committee on Railways, and in that Committee their terms were assimilated to each other in the form adopted in the Inter-Oceanic Company's Bill.

Question—With the approbation of the promoters?

Answer—Yes; at least I cannot say that the question was ever submitted to the promoters of the Canada Company's Bill. I was representing them before the Committee, and as the Government were desirous of having the Bills in the same

terms, and Mr. Macpherson's Company were unwilling to put in a clause excluding foreigners, I yielded to the suggestion that it would be better not to exclude them absolutely, and to make the Canada Company's Bill the same as theirs. Immediately after the Session there was a sort of provisional organization of the Canada Company. They appointed a President and Vice-President, and caused books to be opened throughout the Dominion. The books were opened in the principal towns in every Province in the Dominion, and notices were inserted calling for subscriptions of Stock. The greatest possible publicity was given to these notices, and there was no restriction as to the amount which might be subscribed. The Company were anxious, so far as I knew, to get all the subscriptions they possibly could. The matter remained in that condition.

Question—About what time were those books opened for subscription?

Answer—I think early in July, but I am not quite certain as to the date. Immediately after this provisional organization took place, the Company communicated to the Government the fact that they had so provisionally organized themselves, and applied to be granted the contract. They got no immediate answer to that, but shortly afterwards were informed, I think by a letter from the Goverment, that the Government desired that an effort should be made for an amalgamation between the two companies.

Question—Did you say that they applied for the Charter?

Answer—They applied for the contract, stating their readiness to construct and run the road in accordance with the Government Act. Shortly after this they received an intimation from the Government that they would like to see an amalgamation of the two companies, and they immediately communicated with Mr. Macpherson's Company uging such an amalgamation and expressing their readiness to make it on such terms as might be agreed upon; and also communicated to the Government their readiness to do this. Nothing came of it at that time. The elections then came on, and about the commencement of them, I think, I was sent by the Canada Company to Toronto to press upon Mr. Macpherson the amalgamation. I saw him in Toronto, and I also Sir John Macdonald there on one or two occasions. The substance of what passed between Mr. Macpherson and myself is detailed with sufficient accuracy in his own printed and sworn statement. The result was that there were only two points upon which there was any difficulty; one was that Mr. Macpherson could not agree to Sir Hugh Allan being President of the Company; the other was that Sir Hugh Allan would not agree to Mr. Macpherson's naming a preponderance of the Directors of the proposed amalgamated company. These were the two points. This was communicated to Sir John A. Macdonald, and he at this time endeavored to assist me in bringing about an agreement with Mr. Macpherson. I think he had one or two interviews with him; and when I left Toronto his impression was, as stated to me, that these little difficulties could be got over, and that we would succeed in this amalgamation. That also was my opinion. About the end of July, I think it was on the 29th of July. Sir Hugh Allan called upon me at my office, and asked me to accompany him on the following day, at 11 o'clock, to Sir George Cartier's house. He said that he had an appointment with him at that hour. To the best of my recollection, Sir Hugh is mistaken in saying that I had been with him at previous interviews with Sir George Cartier. I do not think that I was with him except on the occasion of which I have just spoken, namely the appointed meeting of the 30th July. Sir Hugh called upon me, and we went to Sir George's rooms and saw him there. Sir George and Sir Hugh had quite a lengthy discussion, which appeared to me to flow to some extent from previous interviews about the position of these companies, about their amalgamation, about the prospects of the amalgamated company in connection with the Railway; in fact on the whole subject; and they came to agree in certain views about the matter, which were stated by Sir George and Sir Hugh plainly enough. The basis of their conversation was the telegram which Sir John A. Macdonald had sent Sir George on the 26th July, and

Sir Hugh urged certain additional conditions beyond those mentioned by Sir John A. Macdonald. In point of fact the telegram of the 26th July, appeared really to settle nothing except what had been perfectly understood from the first, so far as I know, that Sir Hugh Allan was the fittest person to be President of the Company. That the Government considered him so, and considering him so would use their influence to obtain for him that position; but everything else connected with the Railway and the enterprise, was to be postponed until the elections were over. This position of affairs did not exactly settle one of the objects for which I understood Sir George and Sir Hugh had met. The people of Montreal, and a very large portion of the people of Lower Canada were extremely anxious to know something about this Railway and its prospects. They thought that the preponderance of the Upper Canada Company, meant that the traffic of the Pacific Railway would be brought down to Toronto, and over the Grand Trunk to Montreal and the seaboard; while the preponderance of the Lower Canada Company would insure a direct communication to Montreal with the Pacific Railway, by means of the Montreal Northern Colonization Railway, which the people were also very much interested in. In the interests of Sir George Cartier's election as well as for other reasons, Sir Hugh appeared desirous of having something more definite settled than was contained in Sir John's telegram. The result was that they appeared to agree upon certain points in which Sir George was disposed to favour Sir Hugh's views. Sir Hugh then said to Sir George—"Now if you can put these points in writing for "me, as you state them, I think they will satisfy our friends." Sir George was extremely busy, and was not a very ready penman at any time, and he said—"Mr. Abbott has heard our conversation, let him put down what he understands "has passed between us, and come back this afternoon and we will close it up." We then rose to leave, and were leaving the room when Sir George addressed Sir Hugh on the subject of money in the manner which Sir Hugh has described. He said in an off-hand kind of way, "Are you not going to help us with our elections?" Sir Hugh said he would, or words to that effect, and said, "how much do you want," or "how much do you require?" or something like that. I understood Sir George to say that there would be a considerable sum required, as there was so much opposition on various grounds. Sir Hugh said, as far as I can recollect, "Well, write down what you want." Sir George said very rapidly, "You know you won't lose it all. Our party will make up the greater part of what you give, but we want it now," or something like that. My memory is very imperfect as to the exact phrases used, as I never endeavored to recollect them until lately, when the matter became the subject of conversation. Sir George then said, "Very well; come back this afternoon. Let Mr. Abbott write a note requesting you to advance this money, and telling you that I will see that you are repaid, and come back this afternoon at such an hour and we will close the whole matter up." We left upon that; I went to my office, sketched a letter about the railway affair, either by dictation or otherwise, I don't remember now, corrected it, and had it copied.

Question—I would call your attention to these two letters now.

Answer—I sketched those two letters.

Question—You saw them I suppose?

Answer—I sketched them; I drew them. I sketched those two letters roughly, knowing I thought, what to say with regard to the first—the railway affair—but knowing very little about the other. Sir Hugh called upon me, and I took these two letters I had sketched to Sir George Cartier's office with Sir Hugh Allan. The first letter referring to the railway Sir George was satisfied with as to the first two pages of it, but not with the third. The letter was written upon three leaves. He was satisfied with the first two leaves but the conclusion of the letter did not exactly please him. He said "leave that off and I will dictate to you what conclusion to put to it." He then dictated the four or five lines which constitute the last sentence of the letter as published; signed it, and handed it to Sir Hugh Allan. The other letter with respect to the money he did not approve of, and struck his pen through the most of it

I think, if not the whole of it; wrote a few words upon the draft, and requested me to write it over for him, which I did either from his dictation, or from the draft so altered by him. These are the two letters which Sir Hugh has produced this morning. I find that my recollection differs a little, but not materially from that of Sir Hugh. I think that the terms of the first letter referring to the Railway, were agreed to, but that it was not written or signed at the first interview; that is we were leaving, and after the terms had been agreed to, Sir George spoke to him about the money in the manner in which Sir Hugh Allan has indicated, and that in the afternoon the two letters were signed. That is my recollection of the circumstances connected with that. Subsequently, in fact I think some time after this, the question of the amalgamation of the two companies was revived. We received an informal intimation from the Government, or some Member of the Government, that it would be well to have a meeting at Ottawa, I think in the latter end of the month of September, with the Inter-Oceanic Company, or with leading men from that company, carrying out precisely as I understood it, the telegram of Sir John A. Macdonald, of the 26th July. Several members of the Canada Company came to Ottawa accordingly, and some gentlemen I think connected with the Inter-Oceanic Company also came, but of this I am not quite sure. At all events, on our arrival here, or shortly after, we were informed that the Inter-Oceanic Company had sent in a memorandum giving reasons for declining the amalgamation.

Question—Is that the memorandum published in the Blue Book?

Answer—Yes, the first one. We saw several members of the Government about it, and requested to have a copy of that paper, that we might have an opportunity of answering it. They urged upon us to endeavour to answer it in such a manner as to remove the objections of the Inter-Oceanic Company if possible, rather than get into an altercation with them, and so increase the difficulties of amalgamation. The paper was not communicated to us at Ottawa, but a copy was sent to us at Montreal. The answer was drawn up as we thought in a very conciliatory spirit; urging the amalgamation strongly, and endeavouring to dispose of the grounds of objection raised by the Inter-Oceanic Company, and doing all that we could to endeavour to bring about an amalgamation. This answer was communicated to the Inter-Oceanic Company, and they replied to it I think.

Question—Was that the document of the 12th of October, signed by Sir Hugh Allan, yourself, and Mr. Beaubien?

Answer—Yes; but I cannot remember the date. We were the provisional Committee. An answer was sent to that, which, I think, is also printed. On seeing that answer we thought that the attempt to amalgamate would prove unsuccessful, and I do not think the Canada Company took any further steps to bring about an amalgamation; but we were informed that the Government had taken up the matter and were making an effort, and of Sir John A. Macdonald's visit to Toronto to see Mr. Macpherson; and the probability at first of his succeeding and afterwards of his failure. These efforts were commenced before the elections, suspended to some extent during the elections, and re-commenced towards the end of September and carried on untill the end of November, with every desire, I think, on the part of the Canada Company to have them successful. After this, I think either at the end of November or the beginning of December, late in the autumn, at all events, Sir Hugh Allan was informed, and I myself I think verbally, also, that the Government intended to form a Company under the power given them by their Act; that they did not think that it would be proper to give the contract to either Company incorporated; that these companies were to a very considerable extent sectional, and that the Company which should get the contract must be one that would fairly represent the whole Dominion. The Government then stated that they were endeavoring to get together a Company composed of such men as would fairly represent the whole Dominion, and would command confidence here and in England, where it was supposed the funds were to be obtained for building the road. Shortly after this a few of the gentlemen whom the Government had been consulting about

the Company, met in Ottawa, and perhaps every week or so they met again, their numbers being increased each time by persons who were thought fit to come, and who were encouraged to come in. I think that in January the number had been pretty nearly filled up, and the framing of the Charter was proceeded with. At the meetings here I had always taken an active part, and given a good deal of attention to the whole subject, and I came gradually to be put forward without any formal appointment to represent those gentlemen in settling the details of the Charter; and the Government corresponded with me on several occasions in that sense, and caused me to visit Ottawa to meet members of the Government for the purpose of working up the Charter. And in that way during the month of January, and I think up to the 5th of February, the clauses of the Charter were discussed and the Charter framed after a very great deal of discussion and attention on both sides. It was framed as it now is, and was issued about the 5th of February, of this year, in the form which it now assumes.

Question—What number of interviews had you with the Government?

Answer—We had several interviews with the whole Cabinet, but the details of the Charter were settled chiefly with Sir John A. Macdonald and the Hon. Mr. Campbell.

I don't know whether any narrative I could give you, could proceed further than that I have given; but any further questions which the Commission may choose to put me I will be happy to answer.

Question—Did you know of the correspondence between Sir Hugh Allan and Mr. McMullen and Mr. Smith, while it was going on?

Answer—Nothing whatever. I had no idea of it at all.

Question—Have you any personal knowledge about these telegrams of the 30th and 31st of July, to Sir George Cartier, respecting that letter of the 30th of July, embodying the new terms of agreement?

Answer—No. I had no knowledge of them until very recently. I was under the impression until some time ago, that Sir John A. Macdonald concurred in Sir George Cartier's letter, but I cannot at this moment remember what caused that impression. It was without any foundation whatever, I am satisfied now.

Question—Were you present at any of the meetings between Sir Hugh Allan and Mr. McMullen, except the one you have mentioned?

Answer—I had an informal meeting on one occasion early in the Session, when I informed them—Sir Hugh Allan and Mr. McMullen—that unless the American project was laid aside, it would be useless to attempt to carry out their enterprise. I met them both frequently afterwards.

Question—You have seen Mr. McMullen's published letter of July?

Answer—Yes.

Question—Do you remember the statements made with respect to the payments of, or promises of sums of money?

Answer—I don't remember sufficiently well what promise you refer to.

Question—The first is, that Sir Hugh Allan announced to Mr. Smith and Mr. McMullen that $8,500 had been lent to Sir John A. Macdonald and Sir Francis Hincks?

Answer—I know nothing whatever of that.

Question—It also speaks of $50,000 which Sir Hugh Allan said it was necessary to pay to Sir Francis Hincks?

Answer—I never heard of that except in the newspapers.

Question—Did you ever hear Sir Hugh Allan mention either of these sums, or that they were expected by the parties to whom they were given?

Answer—No, never.

Question—Then the letter says: "In addition to the payments spoken of, Mr. "Abbott was authorized to promise Mr. Langevin $25,000 to aid in the elections "about Quebec, on condition of his friendly assistance, and Mr. Abbott reported that "he had done so?"

Answer—As regards that I think it is necessary to make a statement. In the first place the statement in that form is entirely untrue, but it is quite true that I had a conversation early in the Session with Mr. Langevin about the expenses incurred in the elections at Quebec. Mr. Langevin mentioned to me that at the previous general elections he had been obliged to expend a very considerable sum of money, not very large in itself, but large comparatively, and he said he did not think it fair that the burden of those elections should rest entirely on him. He said he thought he ought to have a share of any funds subscribed in Montreal for election purposes to assist in Quebec, which he had not had in previous elections, and that they could not expect much of a subscription from Quebec to help the Government. I agreed with him in thinking that it was unfair that he should bear the burden of the Quebec elections, and I told him that in so far as I could have any influence in the matter I would try that he should have a portion of any fund which might be got up in Montreal for general election purposes. Talking over matters, and I think it is this that Mr. McMullen speaks of—it came out in conversation that probably the elections would cost in the District of Quebec, irrespective of his own, a sum of $25,000 or $30,000. I told him that as far as I could influence the matter I would endeavour to get something like that amount allotted to the District of Quebec. That is what took place between Mr. Langevin and myself. I did not at that time make any allusion to the position of the Canada Pacific and its charter. I know Mr. Langevin was a strong Lower Canadian, and I thought that his friends were all in favor of arranging the Pacific matter in such a way that there should be direct communication with the seaboard at Quebec and Montreal, and I assumed that in any matter in which he could support the views of the Lower Canadians he would do so, and we did not wish anything more. I never said anything more; I never reported that I had made any arrangement with Mr. Langevin, though, no doubt, I did mention it to Sir Hugh Allan, that if we got up a fund Mr. Langevin should have a part of it to the extent of $25,000.

Question—Did you communicate this to Mr. McMullen?

Answer—It is not likely that I would do so; though Mr. McMullen appears to have become aware of it. But there has been so much spying and betrayal of private documents and abstraction of private letters in the course of this affair, that it is impossible to say how Mr. McMullen became possessed of it.

Question—I do not understand you?

Answer—I mean that nearly if not all the papers published in the press relating to this Pacific affair have been obtained by illegal if not criminal means. For instance, the four papers which were published at the end of Mr. McMullen's second letter, must have been obtained by means which I think I may call criminal.

Question—What papers do you refer to?

Answer—I refer to the two telegrams and the receipts, the one from Sir John Macdonald to me, the one from me to Sir John Macdonald, the letter of Sir George Cartier to me, and the receipt of the Montreal Committee to me.

Question—In whose possession were they?

Answer—These papers were in my possession during the absence of Sir Hugh Allan in Newfoundland.

Question—Have you them yet?

Answer—No, I gave them to Sir Hugh Allan when he returned from Newfoundland and it is quite obvious, at all events I am convinced of the fact, that those papers were either stolen from the private drawer in which they were kept while in my possession, or from the place in which Sir Hugh Allan put them.

Question—You say Sir Hugh Allan has them now?

Answer—I don't say he has them; I say I gave them to him on his return in September, 1872. I don't suppose these gentlemen had the originals in their possession, but they must have obtained them by bribing a confidential clerk or secretary who had access to them to copy them. For these reasons I say I don't know how Mr. McMullen got his information. It is barely possible that he could have heard it from Sir Hugh Allan or myself.

Question—You were acting as confidential agent to Sir Hugh Allan with respect to the money?

Answer—No, I don't think I was. Sir Hugh Allan asked me to assist him in this affair. I think the preponderance of his motive was that my professional practice had led me in the direction of this kind of business—the organization of companies. I also took an interest as a public man in this particular Railway, but I considered I was acting more as the solicitor of Sir Hugh than in any other capacity I can describe. I never was in any sense his agent.

Question—I think you were made the medium through which the moneys were paid for election purposes?

Answer—Only while Sir Hugh was in Newfoundland. I never had anything further to do with the moneys than this. I was present when those letters which I have described were talked about and signed, and when Sir Hugh Allan left for Newfoundland I was made the medium of communication with him with respect to three or four transactions.

Question—Did any other sums come into your possession other than those subscribed by Sir Hugh?

Answer—None whatever. I had nothing whatever to do with the distribution of the money subscribed for the elections.

Question—What was the amount paid through you by Sir Hugh Allan for the elections?

Answer—The first amount was $10,000.

Question—At what date?

Answer—I think it must have been about the 8th or 10th of August. It was $10,000 which he left in my hands to be given to Mr. Langevin. He wrote to Mr. Langevin, I think, informing him that the money was in my possession, and that on his giving me a receipt for it I would pay it. The first I heard of Mr. Langevin's action was his telegraphing me to meet him on the Quebec boat, which I did, on his way down to Quebec. He said he had received a letter from Sir Hugh Allan saying that on giving a receipt I would give him the money. He said he could not understand why such a receipt was asked from him. I told him I did not see that there was any reason for it either, and I did not think that there was any particular reason. He then said that he would have nothing to do with it; that he could not give me any receipt. He did not know what Sir Hugh Allan's reason was for asking it, and at all events he would not give any receipt whatever. It looked to him as if it might be said that it was not a free subscription to the elections at Quebec which Sir George Cartier had promised him, andunless it was, he would not take it at all; and moreover, he would on his arrival at Quebec return the $15,000 which Sir George Cartier had previously caused to be sent him. He appeared to me to be a little excited about the matter. I left him upon his expressing his determination not only to refuse that money but to send back the $15,000 which was the sum first paid. I telegraphed Sir Hugh Allan saying that Mr. Langevin did not feel disposed to give any receipt, and asking his authority to give Mr. Langevin the money without a receipt. I did not get an answer within two or three days, and knowing that the elections were going on, and that the money would probably be wanted, I took the responsibility of sending the money to Mr. Langevin by express, and wrote him at the same time telling him that I had done so.

The second sum, namely:—$20,000, was paid to the Montreal Central Committee, I getting Sir Hugh Allan's authority to pay it, by telegraph. The third sum was $10,000, respecting which, Sir John Macdonald telegraphed me. That I also informed Sir Hugh of, and obtained by telegraph his authority to pay it. I think these were all the sums of money I had anything to do with. I kept these vouchers, these letters and telegrams, in my private drawer in my office until Sir Hugh Allan returned from Newfoundland, and then I gave them to him.

Question—Were they out of your possession at all?

Answer—Not that I know of.

Question—The $20,000 was given upon this letter of Sir George Cartier's to you of August 24th?

Answer—Yes.

Question—You are familiar of course, with the terms of it, namely: "On the same conditions as the amount written by me at the foot of the letter to Sir Hugh Allan of the 30th ultimo. Please send Sir John Macdonald $10,000 more on the same terms." What did you understand by those expressions in Sir George's letter to you?

Answer—I understood him to refer to the letter of the 30th July, in which he informed Sir Hugh Allan that any advances he made would be recouped.

Question—There were two letters of that date, both drafted by you in the first instance, then portions of them rejected, and the whole modified by Sir George. Do you remember the terms of your draft of your letter?

Answer—No; I do not. My impression is that the third sheet of the longer letter was rejected because the conclusion did not please him, and my idea was that the objection was hyper-critical, as it only referred to the phraseology.

Question—Not to the matter but only to the form of expression?

Answer—Yes; you will perceive that the conclusion of the letter is a sort of statement that these being his views he would urge them upon his colleagues. The form in which the draft concluded was a little different from that, but not materially. He preferred his form, and he dictated it to me, and I wrote it as you see it.

Question—What was your draft relating to the money?

Answer—I think it was about the same length as the one produced, but I cannot say positively. I had a great difficulty, I remember, in saying anything about the details, because I did not understand how it could be recouped, and did not believe that Sir George could raise such a sum of money as he described from his party.

Question—Were there in the draft any special terms or conditions upon which the money was to be advanced?

Answer—I think not.

Question—Do you think it corresponded in general meaning with the letter that is produced?

Answer—I think so. I think it made some mention of the money being repaid out of such money or fund as could properly be appropriated to the purpose. It was a perfectly harmless letter and one perhaps less open to misconstruction than the one which has been produced.

Question—There was no difference as to the substance?

Answer—Not that I recollect. Sir Hugh Allan informed me that he did not attach the slightest importance to the promise of repayment.

I think, if the Commission will allow me to refer to it, I remember a statement which appears in a Chicago paper, said to have been made by Mr. McMullen to some newspaper editor there, respecting an agreement which he says was executed subsequently to the 30th July, and he mentions a circumstance which he appears to think confirms his position in connection with the agreement. He says it was written by three clerks in my office, so that none of them might know its contents. No such agreement was ever prepared or written, but as a matter of fact the first letter which has appeared before your Honors was written by three clerks in my office. The first two pages were written by two different clerks, and the third leaf was written by a third clerk and that is the paper of which some person, I have not the slightest doubt who has been willing to betray confidence, has given him an inaccurate description, and caused Mr. McMullen to suppose that it was a different paper from that produced.

Question—Why was it written by three clerks?

Answer—Simply because the space of time between the interviews was so short, I had to write it out or dictate it, get it extended, corrected and recopied, and so I placed one sheet in the hands of each clerk to save time. If I had supposed it possible that any one of those clerks could have been bribed to disclose the contents of the

paper I might have been more anxious to prevent their knowing what it contained, but I had no such idea and no such motive.

Question—Were you present at any other interview, or do you know of any communication between Sir Hugh Allan and any members of the Government in relation to the subscription of money for the elections?

Answer—No, I never heard of any other.

Question—Do you know how these moneys were spent at all?

Answer—I cannot say that I do. I have a general knowledge that they were expended in furthering the elections in different parts of the Province.

Question—Sir George Cartier's election?

Answer—Yes and other elections. I do not know many of the details; I have personal knowledge of scarcely any of them. I was not a member of his Committee, and did not take part in his election, as I had enough to do in attending to my own.

Question—Did you ever hear from Sir Hugh Allan an expression of expectation of receiving any advantage from the Government?

Answer—He certainly had the expectation of receiving advantage. He expected to retain in power the Government whose policy he approved of, but as to the Pacific charter, beyond sustaining in power the Government which was disposed to carry out the building of the Pacific Railway, I most unhesitatingly say that I never heard a word from him.

Question—You were in very intimate relations with him on this subject?

Answer—Yes. I did not see him very often, but he seemed to speak to me without any reserve.

Question—Do you know Mr. Foster?

Answer—Yes,

Question—Was he present at any of your interviews with Mr. McMullen?

Answer—I think he was present at interviews with Mr. McMullen during the Session. He was one of the Directors of the Canada Pacific Railway Company, and we desired to get him on the Board of the Canadian Pacific. He is a man of considerable railway experience, and I believe of capital. He was entirely in the confidence of the Company, and during the Session of 1872 assisted, to some extent, in getting the Bill through. And I have no doubt that Mr. Foster, Mr. McMullen, and myself frequently met during that Session.

Question—Did you ever have any conversation in Mr. Foster's presence in relation to any sums of money to be paid to the Government or any member of it?

Answer—To the best of my recollection, no. Nothing of that sort was ever contemplated at all to my knowledge, either during the Session or afterwards. The election fund, to which Sir Hugh Allan afterwards contributed, was not, I think, spoken of at all during the Session, except as I had previously stated. After the Session I saw very little of Mr. Foster, and nothing at all of Mr. McMullen for a considerable time.

Question—Sir Hugh Allan mentioned that he had never given anything so large at any previous elections. Did it occur to you that this was a very large sum for him to give on this occasion?

Answer—I knew nothing of what he had given on previous occasions, but I certainly thought that this was a very large sum for him to give. At the same time it must be observed that he did not agree deliberately to subscribe the whole of this sum at once. He contributed from time to time as the elections went on and as the money was needed. Probably he might have hesitated at subscribing so large a sum at once, but the feelings and interests which he himself has described probably led him as the money was needed, to continue his contributions to a larger sum than he originally intended.

Question—Do you know of any other facts which will throw light on his motives in giving this large sum?

Answer—No, most certainly not. To my own mind Sir Hugh Allan's motives as described by him are perfectly clear. He is interested in the carrying trade to an

enormous extent. About $3,000,000 of his fortune is invested in the carrying trade alone. I mean in seagoing steamers alone. He has also a large amount of money invested in the Inland carrying trade. He was forced as he imagined, and not unwillingly, perhaps, to enter into an organization for an extensive series of Railways providing for a second communication between the seaboard and the interior of the country. He had taken up with a vast deal of energy and enthusiasm this Pacific Railway scheme. He had been himself a member of the Canal Commission, if not the Chairman of it, and had taken great interest in that. On every one of these subjects the Government had a policy which was favorable to his views, and in my opinion three times the sum would have been well spent if it had been necessary to keep a Government in power, which had according to his views, and my own too, the improvement of the country so deeply at heart as this Government appeared to have.

Question—Did he think so at that time?

Answer—Yes, certainly.

Question—Did it not strike you as strange that he should contribute so largely?

Answer—Not at all strange considering his position and his objects.

Question—You say that you had several interviews with the Government and more particularly with Sir John Macdonald and Hon. Mr. Campbell discussing the terms of the Charter before it was finally settled. Did you propose any modifications in the original draft?

Answer—Yes. The work which was done during, I think about a fortnight of very close application to the charter was of two kinds. One was a very critical examination of the phrases and language of the charter and that took up a good deal of time. The other did not take up so much time, namely, the discussions of certain modifications which were suggested on both sides to the original draft. I made several suggestions, some of which were approved, and some of which were rejected.

Question—What was the general nature of the modifications you suggested?

Answer—I suggested, I remember as one thing of importance, that there should be power granted to the Company to issue a further amount of stock, and Sir Hugh Allan had that very deeply at heart indeed, because he feared that an application to English capitalists to obtain money might be unsuccessful if these capitalists were not to have any share in the prospective advantages of the Road. That was discussed at considerable length with the Government, and finally the matter was submitted to the Government itself and Sir Hugh Allan's views in this subject, and my own were overruled. There were several other points on which I desired to have modifications, for instance the amount of bonds per mile. I thought that it was too small.

Question—Did your views prevail?

Answer—They did not prevail in that respect. I remember another subject which was considerably discussed, namely: as to the mode and in what proportions the money and lands were to be paid to the Company for the construction of the Road. The original design was that they should be paid on the certificate of the Government Engineer. My idea was that there might be a difference of opinion between the Government Engineer and the Company, and I was anxious that there might be some independent tribunal to which the question should be referred and finally a very guarded clause was introduced which provided a referee or referees for that purpose.

Question—Did you propose any modification in the original draft having reference to the admission of American capital or American control?

Answer—No; quite the contrary. From the moment I prepared the Bill for the House of Commons, I considered that the design of introducing American influence and control into the Road was abandoned. I did not regard it as impossible that it might be revived; that might depend upon the policy of the Government; but as far as I know the idea of carrying out the Road by American influence and capital, was abandoned. My impression was that Sir Hugh Allan, while he authorized the organization being proceeded with on that ground, still appeared to entertain in his

own mind the idea that some time or other we might be obliged to have recourse to American capital. That is the way in which I account for his having continued in private correspondence with the Americans. So far as I and the Company were concerned, there was not the slightest idea of the introduction of American influence and capital. My efforts were directed to framing the charter, or assisting the Government to frame the charter, so as to exclude the possibility of it.

Question—Were you present in Ottawa at the time the names of the gentlemen who appear in the charter were settled on?

Answer—They were not all settled on at once. It was a work of some time to collect together the Directors of the Company. I am aware that several gentlemen were spoken to, others were corresponded with, several came to Ottawa and saw the Government; and one by one fit people were selected from one part of the Dominion or another, until the full complement of thirteen was decided upon. I think the last one was not entirely settled upon until within two or three days of the signing of the charter. I refer to Mr. Hall. He was not finally selected until two or three days before the charter was signed, partly because Sir Hugh Allan and myself had urged the appointment of some one suggested by Mr. Foster, and partly because Mr. Foster himself was desirous of being represented on the Board, and partly, I believe, because Sir George Cartier had expressed a wish that Mr. Foster should be on the Board or represented on it.

Question—Did you come to Ottawa instructed by the Company, or prepared to submit any names, as Directors to the Government?

Answer—No.

Question—Did you submit any names?

Answer—No, I never did. The only name on the Board that was submitted by any member of the Company?

Question—Do you mean the Canada Company?

Answer—No. The Canada company ceased to have any existence I may say; for the purpose of this Railway, when the design of amalgamating it with the Inter-Oceanic Company was abandoned.

Question—Still to some extent the interests of the Canada company were represented?

Answer—No, not in the slightest degree. When the project of amalgamation was abandoned, several gentlemen independent of any Company were asked to come to Ottawa to meet, with the view of discussing the details connected with a Company. I have not a very precise idea of the way they were got together at first, but I know that five or six gentlemen who desired to be interested in the formation of a new Company, met at Ottawa, and the Canada Company had no more to do with it than any imaginable Company out of the Realm.

Question—Do you know if Sir Hugh Allan suggested any names to the Government?

Answer—Yes, I know he suggested the name of Mr. Beaudry.

Question—Any others?

Answer—No others that were accepted. The only one I believe that Sir Hugh Allan was the means of introducing into the Company was Mr. Beaudry.

To Sir John A. Macdonald through the Chairman:

Question—Speaking of the terms which were granted to the Canadian Pacific Railway Company by the charter; and supposing that Sir Hugh Allan had had no connection in any way with the Company, from what you know of the policy of the Government, and from the communications between members of the Government and yourself and the Board, would not the same terms have been granted?

Answer—I have not the least doubt they would. I think the terms of the contract and charter were settled without the remotest reference to Sir Hugh Allan any more than to any other member of the Board. I never knew a suggestion of his, however much it might be pressed, if it appeared unreasonable that was not rejected without ceremony. I don't know of any favor or concession ever having been made to him.

Question—Then you are satisfied that if the construction of the Road had been confided to the Inter-Oceanic Company, they would have got the same terms?

Answer—I am quite satisfied of it.

Question—Then these subscriptions for election purposes had no effect on the Charter?

Answer—No; so far as I knew, and I believe I was in a position to know as much as any one, the subscriptions for the elections had no influence whatever upon the negociations. I never heard them referred to.

Question—Was it not the case that every effort made by Sir Hugh Allan to get any preponderance to his sectional influence was overruled?

Answer—I don't know that he made any special effort to give a preponderance to his sectional interests in the Canadian Pacific Company, but in the Canadian Pacific Company, the efforts that he made were overruled; for instance, I kow that he made some suggestions in respect to the amalgamation, and that they were overruled.

Question—There is a quotation made in one of Mr. McMullens letters. A series of paragraphs from the paper, communicated by the Canada Pacific Company to the Government, stating distinctly that so far as that Company was concerned, they had no connection with American capitalists.

Answer—Yes.

Question—That truly expressed the action of the Canada Pacific Company.

Answer—Most decidedly.

Question—Of which you were a member?

Answer—Yes.

Question—You were not aware of this correspondence with Sir Hugh Allan?

Answer—I was not aware of it.

Question—So that these communications between Sir Hugh Allan, Mr. McMullen and others, were matters personal to Sir Hugh Allan himself, for which the Canada Company were in no way responsible, and which they repudiated when they were known?

Answer—Entirely so. Except as to the repudiation they did not become known until after the Canada Company had ceased to take any action in the Pacific matter?

Question—Mr. McMullen in the discussion of the particular question refers to a trifling matter to which I might as well refer. Mr. McMullen said in effect, that at an interview which he had with Sir John A. Macdonald he gave him copies of documents, Sir Hugh Allan's drafts for the $40,000, and the receipts of Mr. Todd for the Private Bills expences of the Canada Improvement and Canada Pacific Railway Companies paid by him?

Answer—In that communication of Mr. McMullen he professes to slight or disparage the statement of the Canada Pacific Company, that they had nothing to do with the Americans, and he quotes in support of his pretension that they had, the fact that he had paid the House fees on the Bills which were introduced in the first instance in the House for the Canada Company. In point of fact, that fact is true, though the inference is not correct. I believe he did pay the House for the two Bills and some other trifling expenses.

Question—What would they amount to?

Answer—The House fees were $245.00 for which I got receipts. There were some other trifling expenses, probably amounting to $100 or $150 more.

The receipts for the House fees are herewith produced and fyled marked S, and T. In fact, Mr. McMullen did keep up a certain amount of connection with the promotion of the Pacific Bill, after he was perfectly aware that all connection with the Americans must cease. He was a Canadian himself, and was very anxious to keep himself connected with the scheme so far as he could, in hopes of someting turning up in the end. He met Sir Hugh Allan occasionally. The Bills were called up in the Committee hurriedly, and it was necessary to have the fees paid on them before they could be passed through the Committee, and to the best of my recollection I said

"I wish Sir Hugh would send the money," or "I wish I had the money to pay the "fees," or something of that kind. He said he had money for such purposes, and he paid the fees. The matter had entirely slipped from my memory, as I supposed he had settled it with Sir Hugh Allan. However, when negotiating for giving up Sir Hugh Allan's correspondence last January, he told me that he had those receipts for the House fees, and the other small expenses I have mentioned. I told him to bring them to my office and I would give him a cheque for the amount, unless Sir Hugh Allan settled with him. Sir Hugh Allan did settle with him, and Mr. McMullen gave up those receipts to me.

Question—Are you aware what sum Sir Hugh paid him in relation to giving up the correspondence?

Answer—The sum of $20,000.

Question—Are you aware of what money he refunded of what he received from the United States capitalists?

Answer—He told me that he had refunded it all.

Question—Do you know anything about the sealed packet of letters left with Mr. Starnes?

Answer—Yes. It was I who arranged for their deposit with Mr. Starnes. About the latter end of the year Mr. McMullen himself, I think, told me that he had a number of letters.

Question—Letters of what year?

Answer—Of 1871 and 1872, I think. He (Mr. McMullen) made an application to Sir Hugh Allan, claiming that his people had the right to command the services of Sir Hugh Allan in connection with the Pacific contract, and stated that Sir Hugh had not used them well, and that he ought to pay whatever advances they had made, and also for their loss of time and other claims. The demand made by Mr. McMullen amounted to a considerable sum. I think over $200,000, if not $250,000, in the first place, but this included the $40,000 Sir Hugh had received. Afterwards there was some little negotiation about it, and he reduced his claim somewhat, and finally he came to Montreal with Mr. Smith and Mr. Hurlburt. He read me passages from the correspondence, and showed it to me; stated to me his position, and added that he had been ill used, and spoke of his claim for a considerable sum of money. He also showed me the contract with his friends, which I glanced over to verify a statement he made as to its contents. I wrote him, with Sir Hugh Allan's authority, that so far as the disbursements went, Sir Hugh Allan was ready to pay them, and with regard to their services, he was ready to pay them a reasonable sum, but that the demand he was making was one which did not appear to me to be based on either of those principles, but was in fact such a demand as that Sir Hugh could not listen to at all. He came to Montreal, as I have stated, with Mr. Smith and Mr. Hurlburt, of Chicago. I had an interview with those gentlemen, and I then, for the first time, saw those letters. I think this was in January. I did not read them all, but I read, or heard read, extracts from some of them, which showed me their character. I saw at once that the publication of these letters which Mr. McMullen had threatened to publish, would produce a great deal of outcry, and would probably interfere with the prospects of the deputation going to England to raise money for the Road. I thought it was best for Sir Hugh Allan to make any arrangement in reason, or out of reason, in order to get through with his mission to England before there was any row made about them. I therefore arranged with Mr. McMullen to accept $40,000 in American currency. He assured me that he had spent above $20,000, and the remainder he claimed as remuneration for loss of time of himself and his friends. But this arrangement did not include the $40,000 received by Sir Hugh Allan.

I thought it would be a prudent precaution to prevent the publication of these letters and therefore to make the payment of part of the money dependent upon their not being published for a reasonable length of the time. The paper read by Sir Hugh Allan, which was afterwards given to Mr. Starnes along with the sealed packet, was prepared by myself. It was submitted to Sir Hugh Allan and signed by him, and afterwards also signed by Mr. McMullen. The package was made up on the spot, and Mr. McMullen and I gave it into the hands of Mr. Starnes.

I also paid Mr. McMullen $20,000. The cheque for the remainder was to be delivered to him some time after the rising of the Session in the event of these papers not being published. He declared to me that there were no copies of them in existence, except the one which he had given to Sir John A. Macdonald, which is the copy referred to in the paper. He undertook also to procure the sanction of Messrs. Smith and Huriburt to this arrangement, and he wrote a letter to Sir Hugh Allan, discharging him from all claims of every kind and description. I think Sir Hugh Allan has this letter which Mr. McMullen wrote to him. I also produce and fyle the letter which Mr. McMullen wrote to me marked "U."

Question—Do you know Mr. McMullen's hand writing?

Answer—I think I saw him write this letter.

Question—Was that concession or payment made by Sir Hugh Allan at once or after consultation with you?

Answer—It was made after the negociation had spread over a couple of weeks I should think, and after several notes and interviews had passed between Sir Hugh Allan and myself.

Question—You were negotiating with Mr. McMullen?

Answer—I was negociating with him on behalf of Sir Hugh Allan as his Solicitor in the matter.

Question—What did you say was the motive that induced Sir Hugh Allan to give a sum beyond the actual disbursements which were alleged to be $20,000?

Answer—In the first place, I think, Sir Hugh recognized the fact that Mr. McMullen and his friends had really spent a good deal of time about their scheme, and that they had given themselves a good deal of trouble about it. I think he recognized, also, that they should have some remuneration for that. I think he considered that the sum demanded for that was very large, indeed exorbitant, but he thought it was better to settle the matter than to have a great outcry and scandal, while he and the delegation to England were endeavoring to raise money for the Pacific Railway. I imagine that he saw that if these letters were published an immense deal more would be made out of them than their importance warranted by any parties who were opposing the Pacific scheme, and he desired that their publication, if it were to take place might not be until after his return.

Question—When did you, Mr. McMullen and Sir Hugh, come to an understanding?

Answer—It is mentioned in the paper which was fyled this morning.

Question—As soon as you came to an agreement it was committed to writing?

Answer—Yes.

Question—Was it at your suggestion that a portion of the money withheld?

Answer—Yes.

Question—You were acting as Solicitor for Sir Hugh Allan?

Answer—Yes.

Question—And thought it a reasonable and proper precaution to take?

Answer—Yes. I thought it possible that there might be copies of these letters extant, and that no sooner would the money be paid than copies might appear in the newspapers. I thought that the retention of a portion of the money would operate as a check against anything of this sort.

Question—"Within ten days after the end of the coming Session of Parliament, Mr. "Starnes is requested" and so on: Why was that time fixed upon?

Answer—Just for the same reason as any other time might have been fixed upon in order to give sufficient time to enable the delegation to go to England and return. The publication then would be better than during the Session of Parliament, as it would create less noise and scandal than during the Session.

Question—The date is the 26th of February. When did Sir Hugh Allan leave for England?

Answer—I think on the 1st of March.

Question—For what purpose?

Answer—As one of the delegation to try to raise funds for the Pacific Railway.

Question—When did copies of these papers appear in the newspapers?

Answer—The first time that copies appeared was on July 4th, in the Montreal *Herald*,

but the charge Mr. Huntington made in the House, was supposed to be based on some copy which he had of these papers. I understood that he proposed to read papers which bore a resemblance to these documents.

Question—You say that it was apprehended that the publication of these papers might affect the mission upon which Sir Hugh Allan went home to raise money. Do you know if it did?

Answer—I am perfectly certain that it did. I was one of the delegation of four—composed of Sir Hugh Allan, Governor Archibald, Major Walker and myself—and the chief difficulty we met with in England, was the feeling caused by the violence of the publications in this country, the extravagant charges made against the company, causing the belief in the minds of English capitalists that the success or failure of the company depended upon the success or failure of one of the great political parties in this country. People became convinced, as far as I could judge, when these charges were made and reiterated to such an extent, that if the Government maintained themselves in power, the Contract would likely be carried out and the Company go on; while on the other hand, if the Government were ejected from power, the Contract and the Charter would fall to the ground, and the road would not be built. They felt then that they were not only imperilling their money on the chance of the success of an enterprise sufficiently difficult in itself, but on the chance of one or the other of the political parties remaining in power. There was more hesitation from that notion, that any successful result would depend upon the success of one party or the other, rather than in view of the difficulty of the undertaking itself. This it was that prevented capitalists in England from subscribing; in fact that was the reason given by one large firm of capitalists, with whom the delegation made the greatest progress in negociating for the money.

Referring to the deposition of Mr. White, I wish to state that the draft Bill which he supposed I had prepared, and caused to be printed on behalf of the projected American Company, was, to the best of my recollection, the draft Bill in print, which I have already stated, Sir Hugh Allan gave to me when he requested me to prepare the legislation for the Session of 1872.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken on the nineteenth day of September, 1873, and acknowledged on the twenty-seventh day of said month and year.

(Signed,) J. J. C. ABBOTT.

(Signed,) CHARLES DEWEY DAY,
Chairman.

" A. POLETTE,

" JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, } IN THE MATTER OF THE COMMISSION
City of Ottawa. }

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the HON. MR. HUNTINGTON in the House of Commons on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this twentieth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above-named Commissioners,

WILLIAM EDWARD BLUMHART, of the city of Quebec, who being duly sworn, deposeth and saith:

I reside in Quebec, but this summer I have resided temporarily in New Brunswick. My occupation is general agent of a company for building railways. I am not an engineer, but attend to the business portion of the agency.

Question—Were you residing in Quebec during the years of 1871 and 1872?

Answer—Yes.

Question—Do you know Sir Hugh Allan?

Answer—I don't.

Question—Do you know Mr. George W. McMullen?

Answer—No, I do not.

Question—Do you know anything of an agreement made between those gentlemen relating to the building of the Pacific Railway?

Answer—I do not.

Question—Were you in a position to know anything of that matter?

Answer—No.

Question—You are then utterly without knowledge relating to that subject?

Answer—Yes. I have no knowledge whatever, except what I have seen in the public prints.

Question—Did you take any part in the general elections of 1872?

Answer—I did.

Question—Were you on any of the committees?

Answer—I was on several committees, but not the General Committee.

Question—Were you on any committees which were organized, as it was supposed, in favor of the promotion of the election of the Government candidates?

Answer—Yes.

Question—Do you know anything about the subscription of money for promoting the elections?

Answer—I know that money was subscribed.

Question—Do you know by whom?

Answer—Several persons subscribed. I saw no names, nor any list of names of subscribers. I know there were subscriptions made. I do not know to what amount.

Question—Do you know whether Sir Hugh Allan was one of the subscribers?

Answer—I do not.

Question—Do you know through whose hands any money came which was used by the Central Committee, or by any other Committee?

Answer—I do not.

Question—How do you know that money was subscribed?
Answer—I know that one gentleman told me that he had subscribed.
Question—Was that Sir Hugh Allan?
Answer—No. A gentleman from Quebec—a tradesman.
Question—A tradesman in Quebec?
Answer—Yes.
Question—Do you know the names of any of the gentlemen who were on the Central Committee in Quebec?
Answer—Yes.
Question—Will you mention them?
Answer—I know Mr. Beaudet.
Question—His christian name?
Answer—Elisie.
Question—Do you know the Hon. Mr. Langevin?
Answer—I do.
Question—Do you know whether any money was received through him by the Central Committee or by any person for the elections?
Answer—I do not; I never was on that Committee at all.
Question—Had you anything to do with the distribution of the moneys which were subscribed for the elections?
Answer—All the money I had anything to do with was what we subscribed ourselves and spent ourselves.
Question—Had you any conversation at any time with Mr. Langevin about election expenses?
Answer—No.
Question—Had you any such conversation with any other of the Ministers?
Answer—No.
Question—Do you know anything about any understanding between the Government and Sir Hugh Allan and Mr. Abbott in relation to subscriptions for elections?
Answer—No.
Question—Have you any knowledge whatever in relation to the subject matter of this enquiry.
Answer—Nothing but what has appeared.
Question—Do you know why your name was put down upon the list of witnesses?
Answer—I have no idea at all.
Question—Have you ever said anything to give reason to believe that you had some knowledge concerning this matter?
Answer—No, I always on the contrary, since I saw my name on Mr. Huntington's list of witnesses, said I had no idea why my name was put down, as I know nothing about the matter.
Question.—For whose election were you on a committee?
Answer—For the Counties of Rimouski, Bellechasse, and Montmagny.
Question—Who was the candidate for Rimouski?
Answer—Mr. Sylvain.
Question—Who for Bellechasse?
Answer—Mr. Caron.
Question—And for Montmagny?
Answer—The Honorable Mr. Beaubien.
Question—These were all Government candidates?
Answer—Yes.
Question—Were they elected?
Answer—No, they were all defeated. They had not money enough.
Question—Do you know whether any money was sent down from Montreal for the support of these elections?
Answer—I do not.
Question—Do you live in the City of Quebec?

Answer—Yes.

Question—Do you know anything of the elections in the City of Montreal or the Montreal District?

Answer—No, my exertions were confined entirely to the Counties before mentioned.

Question—Were you on the Kamouraska Committee?

Answer—No.

Question—Who represents Kamouraska now?

Answer—Mr. Pelletier, I think.

Question—Who represents Bellechasse?

Answer—Mr. Fournier.

Question—Were you on the Election Committee for the Centre Division of the City of Quebec?

Answer—No, I was absent from the City. The elections in those three Counties, where I have mentioned I was engaged, took place on the same day.

Question—Had you ever any conversation with Mr. Huntington on the subject of this enquiry?

Answer—No, never, I do not know Mr. Huntington.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn, taken and acknowledged on the day, month and year, first above written, before us. } (Signed,) WM. E. BLUMHART.

(Signed,) CHARLES DEWEY DAY, *Chairman.*

" A. POLETTE,

" JAMES ROBERT GOWAN, *Commissioners.*

PROVINCE OF ONTARIO, *City of Ottawa.* } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. MR. HUNTINGTON in the House of Commons on the second day of April, A. D., 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this twenty-fourth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

FREDERICK ALVIN MARTIN, of the town of Woodstock, in the Province of Ontario, who being duly sworn, deposeth and saith:

Question—I will read over the terms of the charge which it is the duty of the commission to enquire into, that you may know precisely what they are and then proceed to put you questions.

Having heard the charge read, I will now ask you first, as to the part of the charge relating to the agreement between Sir Hugh Allan and Mr. G. W. McMullen. Do you know Sir Hugh Allan?

Answer—I do not.

Question—Do you know Mr. G. W. McMullen?

Answer—I do. He is a second cousin of mine.

Question—Do you know anything of an agreement between Sir Hugh Allan and Mr. G. W. McMullen, acting for certain United States capitalists, whereby Mr. McMullen agreed to furnish funds for the construction of the Pacific Railway?

Answer—I know that Mr. G. W. McMullen, with several other capitalists, were forming an agreement with Sir Hugh Allan to obtain the contract for building the Canadian Pacific Railway.

Question—When did you become acquainted with that fact?

Answer—First through friends or relations of Mr. McMullen's.

Question—About what time?

Answer—I think it was in 1871, the latter part of 1871.

Question—Have you any knowledge whether any agreement took place between Sir Hugh Allan and Mr. McMullen and his friends, tending, or with a view, to the construction of the Pacific Railway?

Answer—I have no knowledge from Mr. McMullen himself, except this:—Had a conversation with him; I think it was in April, 1872, at my father's house. I spoke to him on that occasion on the subject of the Pacific Railway. The first question I asked him was about the route that would be taken; whether the Road would not be obstructed by snow, and as to how they would overcome that difficulty. He said that he thought that the Road would go too far North for that; or North of the snow limit, I think, he expressed it. I asked him if the *Globe* newspaper would not be strongly opposed to the building of the Canadian Pacific Railway, it being a Government measure. He said no, not to any extent.

Question—Do you know anything about the terms of this agreement?

Answer—I do not.

Question—You had no other conversation with him?

Answer—Not at that time.

In July, 1872, I left for Chicago, in order to visit him. I arrived there on the 28th July, 1872, and spent a week there, and then went on out to the prairies. I came back to Chicago, and I think it was on my return I staid there about a week and a half.

One day Mr. McMullen came into the room and said he had received a letter. Holding it in his hand, he said, "This is from Sir Hugh Allan." He read me a part of the letter, and he said "Sir Hugh Allan is a tricky fellow and not to be depended upon, but I think we have got him so tightly bound by these letters that he dare not go back on us."

Question—Is that the whole of the conversation?

Answer—Yes.

Question—Was any allusion made to the part which the Government were taking, or that the Government had taken any part in that agreement?

Answer—No, there was not.

Question—Was any allusion made to any members of the Government?

Answer—There was not. There was something said about the elections, but nothing affecting the Government.

Question—Have you had any communication with Mr. G. W McMullen since that on this subject—since the publication of these letters?

Answer—I have not. I have had a conversation with his brother, Harvard C. McMullen.

Question—You have seen these letters of Mr. G. W. McMullen's which have been published.

Answer—I have.

Question—You had no conversation with him on the subject of those letters?

Answer—Not with him; only with his brother.

Question—Do you know anything about the subsequent portion of the charge, as to Sir Hugh A[illegible]'s advancing money for the purpose of the elections?

Answer—I do not.

Question—Did you take any interest in the elections in your own part of the country?
Answer—I did.
Question—Have you any knowledge of any money being supplied from Montreal for these elections?
Answer—I have not.
Question—Of the elections in Lower Canada, I take it you know nothing?
Answer—Nothing except what I have got from the newspapers.
Question—Where do you reside?
Answer—At Woodstock.
Question—What is your occupation?
Answer—I am a lawyer.
Question—Do you know anything more about the subject matter of the charge which you have heard read?
Answer—I do not.
Question—Have you ever had any communication with Sir Hugh Allan?
Answer—No. I do not know Sir Hugh Allan.
Question—Or with any member of the Government on this subject?
Answer—No.
Question—And this conversation which took place with Mr. G. W. McMullen is all that you know about the matter?
Answer—It is, except what I heard from his brother. Nothing more than that.
Question—Where was Mr. G. W. McMullen going when you had this conversation with him in April?
Answer—He was at home then in Chicago. It was in Chicago it occurred.
The first conversation occurred at my father's house in Beechville, about five miles west of Woodstock. I think he was on his way then to Ottawa, but I am not certain.
Question—I believe you mentioned the dates at which these conversations took place, respectively?
Answer—Yes. One was in April, and the other conversation was in July, I think.
Question—Have you mentioned the year?
Answer—It was in 1872.
Question—What time in July?
Answer—It was in August the second conversation took place.
Question—What time in July was the first conversation?
Answer—The first conversation was in April.
Question—What time in April?
Answer—I cannot say. I am not certain that it was in April, but I think so.
Question—What time in August was the second conversation?
Answer—About the middle of the month. I remained in Chicago at that time a week, and from Monday till Saturday I was out on the prairies, and then I returned to Chicago, and left there on the 21st August.
Question—Did Mr. McMullen show you any papers?
Answer—Nothing but this letter, and he did not hand it to me, but only read me a portion of it.
Question—Do you remember the contents of it?
Answer—I do not know that I do. I did not pay any particular attention to it at that time.
It was a letter that he received in August when I was there, from Sir Hugh Allan.
Question—Was any person present besides Mr. McMullen and yourself?
Answer—There was not. There were other persons in the house, but we were alone in the drawing-room at the time. It was at his brother's house.
Question—Where did he take the paper from?
Answer—I think he had it in his hand when he came in.
Question—Was there anybody with him when he came in?
Answer—No, he was alone. He had it open in his hand.
Question—Was he apparently reading it?

Answer—Yes. I was in the room when he came in. He then made the remark to me that I have mentioned.

And further deponent saith not, and this his deposition having been read to him he declares that it contains the truth, persists therein and hath signed.

Sworn and taken on the twenty-fourth day of September, 1873, and acknowledged on the twenty-fifth day of said month and year. } (Signed) FRED. C. MARTIN.

[Signed] CHARLES DEWEY DAY,
Chairman.

" A. POLETTE,

" JAMES ROBERT GOWAN,
Commissioners.

PROVINCE OF ONTARIO, }
City of Ottawa. } IN THE MATTER OF THE COMMISSION

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. MR. HUNTINGTON in the House of Commons on the second day of April, A. D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS,

On this twenty-sixth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners.

THOMAS WHITE, Junior, of the City of Montreal, who being duly sworn, deposeth and saith:

I am a resident of Montreal.

Question—What is your profession?

Answer—Publisher.

Question—Publisher of what?

Answer—The Montreal GAZETTE.

Question—Do you know the charges which are recited in the Commission; are you familiar with them or shall I read them to you?

Answer—I know them.

Question—Do you know Sir Hugh Allan?

Answer—I do.

Question—Do you know Mr. G. W. McMullen.

Answer—I do.

Question—Have you any knowledge concerning any agreement betweer Sir Hugh Allan on one side, and Mr. G. W. McMullen on the other, representing certain United States capitalists, relating to the construction of the Canada Pacific Railway?

Answer—I have no knowledge of any formal agreement. I am aware that during the Session of 1872, Mr. McMullen was in Ottawa representing certain American capitalists as he stated, and was interesting himself in the construction of the Pacific Railway. During

the earlier part of the Session he was in very frequent communication with gentlemen in the House, who were interesting themselves with Sir Hugh Allan, in this enterprise, and I saw him frequently at that time, and had conversations with him. I am also aware that towards the close of the Session Mr. Abbott, with whom I had frequent conversations, looked upon American connection as abandoned. I am aware too that Sir George Cartier with whom I had frequent conversations during that Session, was very much opposed to the American connection, for the construction of the Railway, and was anxious to promote the interests of Mr. Macpherson's Company as an offset to it. I had one conversation with Sir George Cartier especially in which, while professing a desire to see Sir Hugh Allan connected with the Company, he expressed his determination to have the Company so formed as to exclude the possibility of American connection.

Question—Do you recollect the date?

Answer—It was whilst the Bills were before the House. The conversation occurred before the close of the Session. It was at his own house and lasted two or three hours. The Northern Colonization Railway, at that time was a prominent question in Montreal, and I was giving it support through the newspaper, and it was in connection with that, that fears were entertained by some of the promoters of that scheme, that Sir George was opposed to it, and that this conversation arose.

Question—When did your conversations take place with Mr. McMullen?

Answer—In the early part of the Session. I had known Mr. McMullen for some fifteen years.

Question—Do you know whether the Government gave him any encouragement in this scheme?

Answer—I cannot say.

Question—Had you any conversation with any other member of the Government than Sir George Cartier on the subject?

Answer—No.

Question—Had you any conversation with Sir Hugh Allan on the subject?

Answer—I had conversations with him on general Railway matters. I understood his policy was to unite all the schemes with which he was identified as the easiest way to secure the construction of those in the Provinces of Ontario and Quebec.

Question—Were you aware that he was associating himself with, or that negotiations were going on between him and those Americans?

Answer—I inferred from the conversations I had with Mr. McMullen and Mr. Abbott that such was the case, but I had no direct knowledge of any formal agreement.

Question—Was Mr. McMullen or any other person present at this conversation you had with Sir George Cartier?

Answer—No.

Question—Do you know anything more in reference to this branch of the subject?

Answer—Nothing more.

Question—Did you take any interest in the elections in Montreal in 1872?

Answer—I did.

Question—Were you on any of the Committees in Montreal?

Answer—I was on the Committee for West Montreal but not on the Central Committee. I was frequently at the meetings of the Central Committee, but not a member of it.

Question—Did you take any part in the election of Sir George Cartier?

Answer—No direct part.

Question—Were you on his Committee?

Answer—I was not on his Committee.

Question—Do you know whether any money was subscribed for the purpose of promoting the Montreal elections?

Answer—I am aware that there was a fund as there always is at elections.

Question—Do you know the amount of it?

Answer—No, I have no knowledge of the amount of it.

Question—Do you know whether Sir Hugh Allan was a subscriber to that fund?

Answer—I have no personal knowledge that he was a subscriber.

Question—In whose hand was the fund?

Answer—Mr. Betournay, now Judge Betournay, was Chairman of the Committee, and I think any cheques that were drawn, were drawn by him.

Question—Cheques upon whom?

Answer—Cheques upon the Metropolitan Bank.

Question—Did you understand that the funds were deposited there?

Answer—I understood that the funds of the Central Committee were deposited in the Metropolitan Bank.

Question—Who drew those cheques?

Answer—Mr. Betournay usually I think. I saw him draw a good many cheques.

Question—Do you know anything of the amount?

Answer—No I do not. I think the largest amount paid out was for canvassers. This system of canvassing has always prevailed in Montreal. The canvassers got their pay every Saturday.

Question—Do you know of any understanding between Sir Hugh Allan and the Government, or any member of the Government or their supporters, for raising money for the elections?

Answer—I do not.

Question—Is there anything more that you have to state in relation to this matter?

Answer—Nothing in relation to these charges.

To Sir John A. Macdonald, through the Chairman.

Question—You say that you know that Sir George Cartier, in order to counteract any apprehended American influence, attempted to strengthen the Inter-Oceanic Company?

Answer—I am aware of it.

Question—Do you know that Sir George favoured the introduction as corporators in that company, of some leading Lower Canadians for that purpose?

Answer—I am aware of it.

Question—Can you mention their names?

Answer—The names mentioned at the time were Mr. Tourangeau and Mr. Simard.

Mr. Tourangeau was one of the members of the House for Quebec East at that time, and Mr. Simard was the member for Quebec Centre.

Question—They were corporators in Mr. Macpherson's Company?

Answer—Yes.

Question—You know pretty well all the names of the corporators in that Company, and in the Canada Pacific Company?

Answer—Yes. I have looked at them frequently.

Question—Are there any American names mentioned in either of those companies?

Answer—I think not.

Question—Do you remember anything about an original draft of the Canada Pacific Railroad Charter?

Answer—I think that Mr. Abbott caused the original draft of that Charter to be printed before the Session.

Question—Before the Session of 1872 there was a draft of the Act of Incorporation of the Canada Pacific Railway Company; there were Americans included in that?

Answer—There were.

Question—Mr. McMullen's name was in it?

Answer—I think so, and Mr. Smith's of Chicago.

Question—That draft was abandoned?

Answer—Yes. I think it was never introduced at all into Parliament.

Question—How do you account for its being abandoned; was it because of Sir Hugh Allan's connection with Americans, and consequently that such an Act would not be acceptable to Parliament?

Answer—That was I understood the reason for its non-presentation.

Question—You then understood from Mr. Abbott, who was promoting the Bill which is now on the Statute Book, that all connection with the Americans had been abandoned?

Answer—Yes, and towards the close of the session, that was the general impression in regard to the Canada Pacific Company.

Question—Mr. McMullen must have known that at the time?

Answer—He must have known it, but I have no knowlege that he did know it.

Question—You say with respect to the expenditure of money for the elections in Montreal, you were on the Committee for the Western Division?

Answer—Yes.

Question—You don't know personally what was the expenditure in Montreal East?

Answer—I do not. I think it was very large.

Question—You say the largest item in the expenditure was the payment of convassors?

Answer—Yes, the payment of paid canvassers. That was a plan which was adopted by both sides.

Question—Both parties had paid canvassers?

Answer—Yes.

Question Was there a very large expenditure for that purpose besides other expenses in Sir George Cartier's election?

Answer—There must have been from the number of paid canvassers. I cannot form any estimate of the amount, but it was several thousand dollars judging from the whole expenditure that took place.

Question—Do you know anything about a sum of $25,000 being raised by the supporters of Mr. Jetté for his election?

Answer Nothing but the report prevailing at the time. There was a very large sum raised, and I understood it was $25,000.

Question To assist Mr. Jetté in defeating Sir George Cartier?

Answer—Yes.

Question—Do you not know that by some mysterious process a good deal of Sir George Cartier's money went to the other side?

Answer—That was the impression at the time. There is no doubt of our being sold. Men who had been working with us were found on the day of the election to be working for the other party. That was the case in both the Eastern and Western Divisions. I do not know whether we were outbid or not, but these men were found working on the day of the election on the other side.

Question—You have read Mr. McMullen's letters, in which he makes charges of corruption against the Government, and in fact everybody else?

Answer—I have.

Question—I think he has included you?

Answer—He has.

Question—Would you be kind enough, with the permission of the Commission, to state exactly your relations with Sir Hugh Allan, and also what were his relations with your newspaper?

Answer—The copyright of the GAZETTE was purchased from Sir Hugh Allan and Mr. Brydges by T. & R. White, our firm, in 1870. The plant of the office was leased to us—leased upon the understanding, or upon the condition, that after a certain expenditure in the way of salaries, the profits should be divided, and that we should have the right to purchase within ten years for $30,000. The papers were made out, at Mr. Brydge's request, in the name of Sir Hugh Allan, hence our relations in the first instance with Sir Hugh Allan, rather than with Mr. Brydges. After some time we became anxious to complete the purchase upon the terms agreed upon, and applied to Mr. Abbott, by whom the papers had been drawn in the first instance, or rather revised after being drawn by a Notary, we applied to him to arrange with Sir Hugh Allan for the purchase. Sir Hugh Allan was quite willing, but he thought he should be paid in cash, which was not convenient for us to do then. While these negotiations were going on through Mr. Abbott, the Montreal Northern Colonization Railway was the prominent subject of discussion at the time. Mr. Abbott sent for me one day and told me that he thought he could have the matter arranged, and that in view of the support which the GAZETTE had given to the Northern Colonization Railway in which Sir Hugh Allan was deeply interested, he thought that there should be some consideration allowed for that, and

that the company would be disposed to agree to it. He therefore suggested that the papers be drawn up for $20,000 instead of $30,000. That was in January or February, 1872. We declined the arrangement, and said that we only wanted the purchase completed at the $30,000.

Therefore the first charge made by Mr. McMullen is entirely untrue. In the second letter of Mr. Mullen's there is a charge made that we threatened Sir Hugh Allan with exposure unless he consented to an arrangement before leaving for England.

Having now heard read the portion of Mr. McMullen's second letter, which refers to this matter, and on being asked if that statement is true, I say that the statement is true as a matter of fact. Matters were "fixed up." The statement is strictly true in that respect, but in regard to the impression which it conveys it is entirely false.

The efforts made to get the paper into our own hands were prompted by two motives: first the business promised to be a profitable one. In the next place Sir Hugh Allan's connection with public enterprises in different parts of the country rendered it necessary that Sir Hugh Allan's connection with the paper should cease, so that no person could be able say that the GAZETTE had any connection or was under the influence of Sir Hugh Allan.

We wanted the arrangement to be carried out, if possible, before Sir Hugh Allan left for England, and the paper transferred entirely over to us. After the papers had been drawn up—some four or five days before Sir Hugh left for England—he thought that he should have a larger interest upon the unpaid sums, and the papers had all to be made over again at a larger rate of interest. They were then signed before he left for England, the amount mentioned in them being that named in the first lease when we first purchased the good will of the paper.

Question by the Commission:

Question—With whom did you see the printed Bill prepared by Mr. Abbott, that you speak of?

Answer—With Mr. Abbott.

Question—In what form was it?

Answer—It was in the usual form?

Question—Where was it printed?

Answer—I am not very sure; I think it was printed in our office. I saw it first in Mr. Abbott's possession.

Question—Did he give you a copy of it?

Answer—No he did not.

Question—Do you know of any one having got a copy of it?

Answer—I do not.

Question—You have no knowledge as to whether he exhibited it to any one else?

Answer—I have not.

Mr. McMullen, I suppose, knew of it.

I knew such a Bill was printed and that there were American names in it.

Question—For what purpose did Mr. Abbott show you the Bill?

Answer—Because we were in constant communication with regard to railway matters.

Question—For what purpose did you say that he showed it to you?

Answer—In the ordinary course of conversation; not for any specific purpose. I think I knew almost everything that was going on in connection with railway matters at that time.

Question—The names of the American capitalists were Mr. McMullen and Mr. Smith. Were there any other names?

Answer—No; I don't know of any others.

And further deponent saith not, and this his deposition having been read to him he declares that it contains the truth, persists therein, and hath signed.

Sworn, taken and acknowledged on this twenty-sixth day of September, 1873.

(Signed), THOS. WHITE, Jr.

(Signed), CHARLES DEWEY DAY, *Chairman.*

" A. POLETTE,

" JAMES ROBERT GOWAN, *Commissioners.*

PROVINCE OF ONTARIO, } IN THE MATTER OF THE COMMISSION
City of Ottawa. }

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this twenty-sixth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

The HONOURABLE HECTOR L. LANGEVIN, of the City of Ottawa, being recalled on the application of Sir John A. Macdonald, was by permission of the Commission, the second time examined, who being duly sworn, deposeth and saith:

Question—I think you stated in your previous examination that you had taken part in the elections on the Ministerial side in the District of Quebec?

Answer—I did.

Question—And that you had raised funds for that purpose?

Answer—Yes.

Question—How much did you say you had raised; how much did Sir George Cartier send you?

Answer—$32,000 I think.

Question—Have you been a good deal connected with elections in your part of the country for many years?

Answer—Yes.

Question—Do you consider that that subscription or that expenditure was excessive in your part of the country, as compared with previous expenditures?

Answer—I considered that the expenditure at the last elections was greater than at the previous elections, speaking of the expenditure in the elections around.

Question—The expenditure on both sides was much larger in 1872, than in 1867?

Answer—Yes, much larger.

Question—Which was the most expensive election in your part of the country?

Answer—I think it was Quebec Centre.

Question—Who were the candidates?

Answer—The candidates were Mr. Cauchon and Mr. J. G. Ross, merchant.

Question—Can you form any idea as to the expenditure in that single election?

Answer—I understand that the expenditure was—in fact I know that one of the candidates expended nearly $15,000, and I understand that on the other side, the friends of the other candidate expended nearly $30,000.

Question—You say that one of the candidates expended $15,000; who was that candidate?

Answer—Mr. Cauchon.

Question—How did you know that he expended that amount?

Answer—I knew it from himself.

Question—How do you know the expenditure on the other side?

Answer—I do not know it from Mr. Ross but I know it from some of his friends, and it

is a matter of public notoriety in Quebec that the expenditure on that side was nearly double that on Mr. Cauchon's side.

Question.—There was a good deal of riot in that election?

Answer—Yes, and loss of life also. One man was killed. Perhaps I might be allowed on that point to state this also, that none of the money that was entrusted to me for the elections was expended in this election of Quebec Centre. I make this statement specially because it has been stated outside, of course by my opponents, that they were not surprised now to find that there had been so much rioting and loss of life in that election of Quebec Centre; and, of course, I wish it to be well understood that I had no part in that election.

Question—You stood aloof from the election, did you not?

Answer—Yes. The fact is, Mr. Cauchon gave me to understand that he was friendly to the administration, and so did the friends of Mr. Ross, on the other side, give me to understand that Mr. Ross was also friendly to us; and finding therefore that our friends in Quebec centre were divided, some supporting Mr. Cauchon and others Mr. Ross, I stated to Mr. Cauchon and to Mr. Ross's friends that under the circumstances the Government would take no part in that election, but that they would leave their friends to fight the battle out themselves and elect what candidate they thought right under the circumstances.

Question—Are you aware of the election contest in the Missisquoi?

Answer—Nothing special.

Question—That is not in your District?

Answer—It is not in the region I was looking after.

Question—You know nothing of the expenditure there?

Answer—No only by hearsay.

Question—Do you know anything of the expenditure in Kamouraska?

Answer—Not personally, but I understand it was very large.

Question—Who were the candidates?

Answer—The candidates were Mr. Pelletier on the Opposition side, and Mr. Routhier (now Judge Routhier) on the other side.

Question—The expenditure was very large in that County?

Answer—It was very large.

Question—Have you any means of judging approximately of the expenditure there?

Answer—If I could judge from public rumors, I should suppose that it was between $16,000 and $18,000.

Question—On both sides?

Answer—No; about $8,000 or $9,000 on each side.

Question—Which is Mr. Fournier's County?

Answer—Bellechasse.

Question—Do you know anything about the expenditure there?

Answer—No; but I understood it was large on both sides.

The fact is that in all the elections the expenditure was very large; much larger than usual. My political friends from the different portions of the eastern part of Lower Canada all state that the expenditure against them was such that they could not stand it. This accounts to a very great extent for the loss of some of the counties there.

And further deponent saith not, and this, his deposition, having been read to him, he declares it contains the truth, persists therein, and hath signed.

Sworn, taken and acknowledged on this twenty-sixth day of September, 1873. (Signed) HECTOR L. LANGEVIN.

(Signed), CHARLES DEWEY DAY,
Chairman.

" A. POLETTE,

" JAMES ROBERT GOWAN,
Commissioner.

PROVINCE OF ONTARIO, } IN THE MATTER OF THE COMMISSION
City of Ottawa. }

Appointing CHARLES DEWEY DAY, ANTOINE POLETTE, and JAMES ROBERT GOWAN, Commissioners to enquire into and report upon the several matters stated in a certain Resolution moved by the Hon. Mr. HUNTINGTON, in the House of Commons, on the second day of April, A.D. 1873, relating to the Canadian Pacific Railway.

Present: THE COMMISSIONERS.

On this thirtieth day of September, in the year of our Lord one thousand eight hundred and seventy-three, personally came and appeared before us, the above named Commissioners,

The HON. GÉDÉON OUIMET, of the City of Quebec, Provincial Secretary and Member of Public Instruction for the Province of Quebec, who being duly sworn, deposeth and saith:

Having heard read that portion of the charge contained in the Royal Commission, which reads as follows:

"That in anticipation of the Legislation of last Session, as to the Pacific Railway, an "agreement was made between Sir Hugh Allan, acting for himself, and certain other Canadian "Promoters, and G. W. McMullen, acting for certain United States Capitalists, whereby the "latter agreed to furnish all the funds necessary for the construction of the contemplated "Railway, and to give the former a certain per Centage of interest, in consideration of their "interest and position, the scheme agreed upon being ostensibly that of a Canadian Company, "with Sir Hugh Allan as its head,"

I have no knowledge of such an arrangement and I would add that, from communication with Sir George Etienne Cartier, Sir Hugh Allan and some of the Directors of the Northern Colonization Railway, I was induced to think the contrary.

I do not know G. W. McMullen.

I do know Sir H. Allan.

I have never had any knowledge touching this arrangement, or any other of the kind.

I have no knowledge that the Government entertained the idea of entering into an arrangement of this kind. I say this because of frequent communications with the late lamented Sir George Cartier, who certainly entertained altogether contrary opinions.

I don't know that the Government, or any member of the Government, entertained the idea of entering into arrangements with Americans, or of forming any company for the purpose of constructing the Pacific Railway in which American capitalists were to be included.

Question—What was the nature of your relations?

Answer—As a member of the Government of the Province of Quebec, I took an active part in the policy inaugurated by that Government in favor of the construction of railways within the limits of our Province, among others the Montreal Northern Colonization Railway. After the formation of that company, the Government of Quebec did me the honour to select me as one of the directors to represent that Government in this Company. Beyond my interest as a member of the Government, I was much interested in the construction of that Railway, as being a proprietor in the city of Montreal, and also as a member in the Local Legislature for the county of two Mountains, through which the contemplated railway was to pass. I also took an active part with my friends in endeavoring to induce the citizens of

Montreal to subscribe the million of dollars which was asked for that great enterprise. The question of a depot within or near the limits of the city of Montréal was considered one of vital importance for the town as well as for the Province of Quebec. With a view to securing the success of the railway, we addressed ourselves to Sir Hugh Allan in his capacity as a great financier and as an eminent man in our province, in the hope to secure a more easy and certain result. It was thus, when the Pacific Railway came up as an important political question in the confederation, that I made efforts with my friends with a view to have this great railway united with the Northern Colonization Railway, that it might pass through the Province of Quebec and have its depot within or near the city of Montreal; and it was then that I worked to favor the Pacific Railway, the object being to secure the success of the Northern Colonization Railway. My communications with Sir Hugh Allan were to this effect, and it was equally with the same objects in view that my name appeared as one of the provisional directors in the Canada Pacific Railway's Act of 1872; and concerning the appearance of my name in the act of incorporation, I may say that I only knew of its being there after the Bill had passed through the committee, and, as I said before, I was sufficiently favorable to the enterprise not to make any objection, and I made none. This Bill which is 35th Vic., chap. 73, was discussed, I think in the month of May, 1872, and I was then in Ottawa, not only in the interests of the Montreal Northern Colonization Company, but for the purpose of meeting my colleagues in the Quebec Government, the Honourable Messrs. Chauveau, Beaubien, Archambault and Irvine. We had at the time several meetings of the Executive of Quebec, at Hull. This, then, was the interest which I had in this question of the Pacific Railway, an interest altogether relative to the Northern Colonization Railway. In a conversation which I had with Sir Hugh Allan in April or May, 1872, that gentleman asked me to neglect nothing in the interests of the Northern Colonization Railway. He also spoke to me in the interests of the Conservative party, to which he attributed his commercial prosperity in a great measure, and did not hide from me the fact that that party had already made efforts to maintain his steamship company, and that he was convinced the party had made sacrifices in his favor, or words to that effect. I did not fail to tell him that I was doubly interested myself in the success of the Northern Colonization Railway, of which he was President, as well from being a member of the Government of Quebec, as from being member of the county of Two Mountains, and that I should make efforts to have this line traverse the county that I represented.

The aid which I gave to Sir Hugh Allan relative to the construction of the Pacific Railway at Ottawa or elsewhere was of a friendly character as a citizen who was interested in this great enterprise, and interested more directly, as I have already explained, in the construction of the Northern Colonization Railway. Sir Hugh Allan nor any one else ever engaged my service as advocate, nor in my character as Attorney-General of the Province of Quebec, (a charge which I have already denied) in the interests of the Pacific Railway.

I procured the aid which I have already spoken of to Sir Hugh Allan because I was in communication with Sir Hugh Allan as a Director of the Northern Colonization Railway. I may add that Sir Hugh Allan appeared to honour me with his confidence.

I endeavoured to induce my friends from the Province of Quebec who were members of the House of Commons not to lose sight of the interests of our Province and to favour the Northern Colonization Railway, and if that influence was favourable to the Pacific Railway, with a view to its union with the Northern Colonization Railway, I induced them to give it, but I did not, properly speaking, give any aid to the Pacific Railway as a question apart from the Northern Colonization Railway. I desire also to say that if I had not been interested in the Northern Colonization Railway I would have had nothing to do with the Pacific, because I was not a member of the House of Commons. For the rest, I cannot see what influence I could have outside of that which I have just mentioned.

Having had communication of letter which has been published in the newspapers, over the name of G. W. McMullen, and in which the following appears:—"$6,000 to Attorney-General Ouimet for aid rendered at Ottawa" as having been paid by Sir Hugh Allan, and being asked for any explanations on this point, I say in reply:—Having never been asked by the company, nor by any person whatever in its interest, nor by any person for my services as a lawyer or otherwise, and it being impossible that I should be engaged by the company in any

quality as Attorney-General, my services as such being of no assistance either in the obtaining of the charter or the contract, having acted only as a friend to the enterprise, as a citizen desiring it to come to a good end, I affirm that I never received the sum of $6,000 in question, nor any sum whatever. I affirm, moreover, that I never had, either directly nor indirectly, either from the company or from any friends of the enterprise, any promise of money, or of anything else.

I never received any sum of money from Sir H. Allan, nor from any one else, either directly or indirectly, as I have already said. I was largely interested myself in the Northern Colonization Railway Company and road. I have in its interest disbursed considerable sums, and undergone much fatigue, but, God be thanked, without recompense, or hope of recompense, hoping only that to the Province of Quebec may accrue the benefits which will flow from the construction of the Northern Colonization Railway.

I do not know if Sir Hugh Allan paid $4,000 to the *Minerve*, nor of the other sums mentioned by McMullen in his letter as having been paid by Sir Hugh Allan. I do not believe a word of them or of the other charges made by him.

I do not know whether the Government or any member of the Government had any knowledge of the negotiations spoken of before between Sir H. Allan and Mr. McMullen, nor do I know if Sir Hugh Allan had any negotiations with Mr. McMullen.

The second part of the charges contained in the Royal Commission is as follows: "That "subsequently an understanding was come to between the Government, Sir Hugh Allan and "Mr. Abbott, one of the Members of the Honorable House of Commons of Canada, that Sir "Hugh Allan and his friends should advance a large sum of money for the purpose of aiding "the elections of Ministers and their supporters at the ensuing general elections, and that he "and his friends should receive the contract for the construction of the Railway."

I declare that I know nothing of it. I could say, however, that I had some conversation with Sir George Cartier in June, July and August 1872, in which he spoke to me of Sir Hugh Allan, the Allan Company, the Pacific Railway, and the Northern Colonization Railway. Sir George rebutted the idea of any connection of American capitalists with the Pacific Railway, and said that he never would consent to such a thing, and that he thought that the roads should be constructed without the aid of American capitalists. While expressing his appreciation of the merits of Sir Hugh Allan, Sir George Cartier did not appear to me to be on very friendly terms with him—that is to say, on terms of personal friendship. Nevertheless, he thought that Sir Hugh Allan, from his position, would be of great assistance to the Pacific Railway. He told me that he wished to see the amalgamation of the Macpherson and Allan Companies, and that he had been unjustly reproached with opposition to the Northern Colonization Railway in favor of the Grand Trunk Railway. I remarked to him that I regarded it as unfortunate that his Government had not settled this question of the contract of the Pacific Railway before the elections, because, I added, that this question would militate against him in the Province of Quebec, and particularly in Montreal East. I said to him also that Sir Hugh Allan had told me that he owed his commercial prosperity in a great measure to the Conservative party, and that I thought that Sir Hugh or his Company would aid him by influence or otherwise in his election. Sir George thereupon said that he could not entertain much hope that Sir Hugh Allan or his Company, meaning the Montreal Ocean Steamship Company, would come to his assistance, but as for himself (Sir George) he had several times put his portfolio in danger to maintain or obtain the subsidy for the Allan Company. Sir George told me this in that energetic language which he ordinarily used, and which is well known to those who were familiar with him. I had the honour to occupy myself in the election of Sir George at the last elections, and, notwithstanding that his friends urged him to let us make his election on the basis of the railway policy, and particularly the Pacific, he would not consent, saying that he would conduct his election on his own personal merits.

I have not any knowledge that Sir Hugh Allan advanced a sum of money to aid in the election of Ministers and their supporters. I went a few times to Sir George's Central Election Committee, but I know nothing of the distribution of the money. Of course I know from personal experience that it was necessary to spend money on that as on other elections.

No members of the Government ever told me that Sir H. Allan had advanced money for the elections nor did Sir H. Allan ever tell me.

This conversation with Sir George Cartier, in reference to the road, that I have mentioned took place at several intervals and I think that the last conversation I had with him was two or three days before the polling in the Eastern Division of Montreal, in which Sir George was a candidate.

Question—Do you know the date on which the polling took place?

Answer—Late in the month of August.

Being asked if I can give any explanation or if I have any idea why my name is mentioned in McMullen's letter, as having received $6,000, I declare that I have no idea how my name came to be mentioned. The charge is wholly false.

And further deponent saith not, and this his deposition having been read to him, he declares that it contains the truth, persists therein, and hath signed.

Sworn and taken and acknowledged on the thirtieth day of September, 1873. } (Signed,) GÉDÉON OUIMET.

(Signed,) CHARLES DEWEY DAY,
Chairman.

" A. POLETTE,

" JAMES ROBERT GOWAN,
Commissioners.

LIST OF EXHIBITS.

A. "Sealed Packet" addressed "Hon. Henry Starnes" and subscribed "Sir Hugh Allan" "G. W. McMullen."

A 1. Letter from Sir Hugh Allan to Hon. J. J. C. Abbott, consenting to the opening of the sealed packet, dated Montreal, 2nd September, 1873.

B. Letter from James Beatty, Jr., to Sir F. Hincks, dated 17th July, 1871.

C. Reply of Sir Francis Hincks, dated July 20, 1871.

D. Letter from James Beatty, Jr., to Sir F. Hincks, dated July 24, 1871.

E. Reply of Sir F. Hincks, dated 26th July, 1871.

F. Letter of Hon. D. L. Macpherson to *Mail*, dated 8th July, 1873, containing his reply to Sir Hugh Allan.

G. Telegram from Sir J. A. Macdonald to Sir G. E. Cartier, dated July 26, 1872.

H. Telegram from Sir G. E. Cartier to Sir J. A. Macdonald, dated 31st July, 1872.

I. Telegram from Sir Hugh Allan to Sir J. A. Macdonald, dated 31st July, 1872.

J. Copies of a portion of correspondence between Sir H. Allan and C. M. Smith, G. W. McMullen and George W. Cass.

K. Copy of "First Contract" between Sir Hugh Allan and his American associates, dated 23rd December, 1871.

L. Copy of "Supplemental Contract" between same parties, dated March 28th, 1872.

M. Copy of acknowledgment, dated April 1st, 1872, from Jay Cooke & Co., to G. W. McMullen, of his draft on various parties, to amount of $50,000, setting out drafts numbered 1 & 2, &c.; also of receipt by G. W. McMullen, of fees for Legislation.

N. Cheque by Sir Hugh Allan on Merchants' Bank, for $17,500 in favour of Hon. Henry Starnes, dated February 26, 1873, contained in "Envelope No. two," portion of contents of A or "Sealed Packet."

O. Memo between G. W. McMullen and Sir Hugh Allan, February 26, 1873, contained in small envelope addressed "Hon. Henry Starnes," portion of contents of A or "Sealed Packet."

P. Same as "K."

Q. Certified copy of Letter from Sir G. E. Cartier to Sir Hugh Allan, 30th July, 1872.

R. Certified copy of Letter from Sir G. E. Cartier to Sir Hugh Allan, 30th July, 1872.

S. Receipt for House Fees *re.* Incorporation of Canada Improvement Company, June 1st, 1872.

T. Receipt for House Fees *re.* Incorporation of Canada Pacific Railway Company, June 1st, 1872.

U. Letter from G. W. McMullen to Hon. J. J. C. Abbott, dated February 25, 1873.

EXHIBITS.

A.

COPIES OF LETTERS AND TELEGRAMS ENCLOSED IN ENVELOPE NUMBER ONE.

Number 1 *Telegram.*

MONTREAL, December 8th, 1871.

C. M. SMITH,
Banker.

I have seen Sir Francis to-day. He says they have determined to advertise, and that it is of no use to visit Ottawa at present. I write you by mail.

(Signed), HUGH ALLAN.

Letter No. 2.

17 GRACECHURCH STREET,
LONDON, 4th Nov. 1871.

DEAR MR. SMITH,—I find a considerable interest manifested here by the moneyed men in our scheme of a Dominion Pacific Railroad, and if we desire to raise funds here to carry on the work I have no doubt they can be obtained.

I have not heard anything from the Government on the subject, and I presume nothing will be done till I go back.

I purpose to sail sometime this month.

Yours truly,

(Signed), HUGH ALLAN.

Telegram No. 3.

MONTREAL, December 7th., 1871.

C. M. SMITH,
Banker:

I do not think the Government at Ottawa will be prepared to deal with us sooner than the eighteenth inst. Sir Francis Hincks is here and hints at necessity of advertising for tenders to avoid blame.

(Signed) HUGH ALLAN.

Telegram No. 4.

MONTREAL, December 6th., 1871.

C. MATHER SMITH,
Banker:

I arrived here this morning and will be glad to see you as soon as convenient.

(Signed) HUGH ALLAN.

Letter No. 5.

MONTREAL, 8th December, 1871.

C. M. SMITH, ESQ.
Chicago.

DEAR SIR:—Sir Francis Hincks called at my office this day, and said that while he was as anxious as ever to arrange with us about the Railroad, the feeling of the Government is that if they closed an agreement with us without advertising for tenders they would be attacked about it in the House. I think this may be true, and in view of it I see no use in our going to Ottawa at present. But I think we should meet and arrange preliminaries ourselves, and decide on a course of action. If, therefore, you could come here about the 15th inst. I would go on to New York with you on the 18th., and we could then put the affair in shape.

Please advise me if this suits you.

Yours truly,

(Signed) HUGH ALLAN.

No. 6 Letter.

MONTREAL, 29th Decr., 1871.

G. W. MCMULLEN, ESQ.,
Picton, Ont.

DEAR SIR,—I have your note from Picton, but I have not heard from New York since I left there.

A good many rumors are afloat regarding railroad matters, and I have good reason to believe that Mr. Brydges is using all the influence he can with Cartier to thwart our views. Not that he has any proposal to make, but he wants to stop the Pacific Railroad altogether. A party in the interest of the Hudson's Bay Co., consisting of Donald A. Smith, D. McInnes, G. Laidlaw, G. Stephen, Daniel Torrance of N. Y., and one or two others, have given notice in the *Official Gazette* that they will apply for a Charter to make a railroad from Pembina to Fort Garry. That is the only one that affects us.

I go to Ottawa on Wednesday next and will return here on Saturday. I will find out there what is going on, but I think we are sure of Cartier's opposition.

Yours, truly,

(Signed), HUGH ALLAN.

No. 7 Letter.

Private.

MONTREAL, 1st Jany., 1872.

DEAR MR. MCMULLEN,—I saw Mr. Brydges yesterday and found out pretty nearly what he will require to join our railway project. His terms are very high, but as they possibly include more than himself, we may have to concede them. He thinks, however, that the Government will not have the courage to go into the scheme at all, and will shirk it till after the elections. I go to Ottawa on Wednesday and will see what they propose to do. I will write to you as soon as I find out. I intend to return back to here on Saturday night.

Wishing you the compliments of the season,

I am, yours truly,

(Signed), HUGH ALLAN.

I have a telegram from you this morning advising that you are going to New York ; I therefore send this letter to the St. Nicholas Hotel there.

No. 7. Letter A.

MONTREAL, 6 Oct., 1871.

C. M. SMITH, Esq., of Chicago,
Metropolitan Hotel, New York.

DEAR SIR—I enclose copy of the communication sent to Sir John. Everything looks favorable at present at Ottawa.

I sail from Quebec to-morrow.

Yours truly,

(Signed) HUGH ALLAN.

No. 7. Telegram (b).

FATHER POINT, Oct. 8th. 1871.

C. M. SMITH, of Chicago,
Metropolitan Hotel.

Send to me by mail, care of Allan Bros. & Co., Liverpool, the names of the parties engaged with us in the railroad enterprise.

(Signed) HUGH ALLAN.

Letter No. 8.

MONTREAL, January 24th., 1872.

Messrs. CHAS. M. SMITH
and GEO. W. MCMULLEN.

GENTLEMEN:—My subscription of one million four hundred and fifty thousand dollars to the stock of the proposed Canada Pacific Railway Company includes a sum of two hundred

thousand dollars, furnished jointly by you and myself, to be transferred, in whole or in part, to Mr. C. J. Brydges, on condition of his joining the organization and giving it the benefit of his assistance and influence.

In case he refuses or neglects to join before the 15th. of April next, I will transfer at once thereafter to you, jointly, one hundred thousand dollars of the before named subscription, and in case Mr. Brydges' influence and co-operation can be secured for a less interest in the Railway Company than the before-named amount, then I will transfer to you one half of any residue that remains of the said two hundred thousand dollars after Mr. Bridges' accession to the Company has been secured. It is however understood that any residue or portion of the two hundred thousand dollars named may be used to secure any other influence deemed by myself and you desirable or important on the same terms as is proposed in regard to Mr. Brydges, and may apply to others in addition to him.

Yours truly,

(Signed) HUGH ALLAN.

Letter No. 9.

MONTREAL, 5th Feb. 1872.

DEAR MR. MCMULLEN,—I returned yesterday from Ottawa. Everything looks well up till the present time, but I may tell you in strict confidence that there are symptoms of coolness between Sir John A. and Cartier, arising from the coquetting of the latter with Blake and Mackenzie to form an alliance and carry the elections next summer, with a view to leave John A. out in the cold. This would not be quite so favorable for us, but I am going to Toronto on the 7th inst., to look after our interests. We are all right with the *Globe*. You have not yet sent me the articles of agreement signed by the parties. Send it immediately as I need it in my negociations.

I will require you to come down here by-and-by to arrange the construction Company and consult about other matters.

In the printed Bill is there not a mistake about the lands and the taxation? Look at it.

Yours truly,

(Signed), HUGH ALLAN.

G. W. MCMULLEN, ESQ.,
Chicago.

I wrote you, but have not received any answer from you.

No. 9 *Telegram* (*a*).

C. MATHER SMITH, MONTREAL, Feb. 16, 1872.

Why is it that McMullen does not answer my letter. I will be in Detroit on Wednesday evening, can I meet you there?

(Signed), HUGH ALLAN.

Telegram No. 9 (*b*).

MONTREAL, Feb. 19th, 1872.

C. M. SMITH.

I think it is the Douglass Hotel, at Detroit. Don't fail to come.

(Signed), HUGH ALLAN.

Letter No. 10.

C. M. SMITH, Esq., TORONTO, 23rd Feby., 1872.
CHICAGO.

DEAR SIR:—I find that Mr. Brydges is making a strong attempt by exciting national feeling to get up an opposition to us in our Pacific scheme. He is endeavoring to get up what he calls a purely Canadian Company on the representation that we are going to make an enormous profit out of it, the most of which will go to parties in the United States. He has written to influential men here and in other parts of the country urging them to subscribe stock, merely as security, for they never will be called on to pay anything, and he says the government must give a preference to a Canadian Company.

I do not know to what extent he has been successful.

Yours truly,

(Signed) HUGH ALLAN.

No. 11 *Letter.*

C. M. SMITH, Esq., TORONTO, 24th Feby, 1872,
CHICAGO, Ill.

DEAR SIR:—Since writing to you yesterday, I have seen Mr. D. L. Macpherson of Toronto who is a member of the Dominion Senate and rather an important person to gain over to our side.

He has been applied to by our opponents and uses that as a lever, by which to obtain better terms from us. He insists on getting $250,000 of stock, and threatens opposition if he does not get it. You will remember he is one of those I proposed as a Director.

I will do the best I can, but I think that McMullen, you and myself, will have to give up some of our stock to conciliate these parties.

Yours truly,

(Signed) HUGH ALLAN.

No. 12 *Letter.*

Private. MONTREAL, 28th February, 1872.

DEAR SIR,—It seems pretty certain that in addition to money payments, the following stock will have to be distributed:—

Hon. D. L. Macpherson	$100,000
Hon. A. B. Foster	100,000
D. A. Smith	100,000
C. J. Brydges	100,000
J. J. C. Abbott	50,000
D. McInnes	50,000
John Shedden	50,000
A. Allan	50,000
C. S. Gzowski	50,000
George Brown	50,000
A. J. Hincks	50,000
H. Nathan	50,000
T. McGreevy	50,000
	$850,000

To meet this I propose that we give up of our stock as follows:

C. M. Smith	$250,000
George W. McMullen	250,000
Hugh Allan	350,000
	$850,000

Please say if this is agreeable to you. I do not think we can do much less, and may have to give more. I do not think we will require more than $100,000 in cash, but I am not sure as yet.

Who am I to draw on for money when it is wanted? And what proof of payment will be required? You are aware I cannot get receipts.

Our Legislature meets 11th April, and I am already deep in preparation for the game. Every day brings up some new difficulty to be encountered, but I hope to meet them all successfully. Write to me immediately.

Yours truly,

(Signed) HUGH ALLAN.

I think you will have to *go it blind* in the matter of the money (cash payments.) I have already paid $8,500 and have not a voucher, and cannot get one.

C. M. SMITH, ESQ.,
Chicago.

No. 13. *Letter.*

MONTREAL, 4th March, 1872.

MY DEAR MR. MCMULLEN—Mr. Macpherson of Toronto, and Mr. Brydges here, have both notified me to-day that they decline to join us in the Canadian Railway scheme.

Their reasons are that the company is too largely American, and that they want to see it in the hands of Canadians.

They tried to detach me from the company we have formed, and get me to join them, which, of course, I declined. I don't know what they can do against us, but I intend going to Ottawa on Monday, 11th inst., and will then try to find out something about it.

I will be in Ottawa most of the week.

Yours truly,

(Signed) HUGH ALLAN.

No. 13. *Letter* (*a*).

MONTREAL, 15th April, 1872.

DEAR MR. MCMULLEN—The enclosed telegram from Mr. Cass reached me this morning. He wishes you to go to New York, but I wish to see you before you go. I leave here on Wednesday morning, and will see you on Thursday morning. You will be able to leave for New York on Thursday evening if you desire to do so.

Yours truly,

(Signed) HUGH ALLAN.

No. 13 *Letter* (*b*).

MONTREAL, 16th April, 1872.

DEAR MR. MCMULLEN,—I must remain here to-night to write my letters for the English mail, which I have been rather neglecting of late. You might make use of your time in seeing such of the Ministers as you can reach, but I wish especially that you would arrange that you and I together should see Sir John A. at eleven o'clock on Thursday. Telegraph me to Prescott Junction, to-morrow, if you can do this.

I enclose a letter which came enclosed to me from New York, this day. What can be the matter there?

I ought to arrive at Ottawa at 4.30, to-morrow afternoon (Wednesday).

Yours truly,

(Signed) HUGH ALLAN.

No. 14 *Letter*

Confidential.

MONTREAL, 12th June, 1872.

G. W. MCMULLEN, ESQ.
Russell Hotel, Ottawa.

DEAR SIR, I have this day received a telegram from you dated New York, asking me to meet you in Ottawa to-morrow on important business.

I am unable to go, and if the important business refers to the Pacific Railroad Scheme, I do not think it is necessary I should go.

I believe I have got the whole arranged through my French friends by means you are aware of and we have now the pledge of Sir. G. that we will have a majority and other things satisfactory.

I have told you all along that this was the true basis of operation, and that anything else was powder and shot thrown away, and I think so still.

You should come here and see me before you carry out any important transaction, or pay any money. I want you to get a correct copy of the Government Bill and our own Bill, because we have first to consider how far they will suit our friends, and we may have to go to New York to consult them.

I will be in town to-morrow and Friday. I will be absent on Saturday, but will return here on Monday, and be here till Friday.

Yours truly,

(Signed) HUGH ALLAN.

No. 15 *Letter.*

MONTREAL, 16th July, 1872.

MY DEAR MR. MCMULLEN,

I feared you had got entirely lost in the depths of matrimony, but, I am glad to notice by your letter, dated 11th inst., that you have got safe back.

Since I saw you last, the Pacific Railroad (Canada) scheme has gone through many phases and its present position is difficult to be described.

Sir George Cartier has been in town for some days and I have had several interviews with him. He now tells me that he does not now, and never did, intend to deal with either Macpher-

son's Company or ours, and that he only allowed them to get incorporated as a matter of amusement. But he says he always intended that the Government would form its own Company, who will carry on the work *under the orders of the Government according to the views of the Government engineers* and with money *furnished by the Government*. He says that he and Sir John A. made up their mind to this long ago, but did not tell any of their colleagues.

A kind of negociation is going on with both Macpherson and myself relative to the composition of this Government Company, but it has not come to anything as yet. Meantime the period of the elections is drawing near, and unless the matter is arranged satisfactorily to Lower Canada, Sir George Cartier's prospect of being returned is very slim indeed. I cannot foresee with any certainty the ultimate result, but the decision cannot be long put off.

I will advise you as soon as anything is positively known.

Yours truly,

(Signed), HUGH ALLAN.

Letter No. 16.

(Private and Confidential.)

MONTREAL, 6th August, 1872.

DEAR MR. MCMULLEN,—I have been hoping from day to-day that some conclusion which I could communicate to you would be arrived at respecting the Pacific Railroad negociations, but some obstacle to cause delay always intervened. The near approach of the elections, however, and the stand taken by my French friends that they would lend no help till I pronounced myself satisfied, has at length brought the matter to a crisis, and I think the game I have been playing is now likely to be attended with success.

Yesterday we entered into an agreement by which the Government bound itself to form a company of Canadians only according to my wishes. That the Company will make me President and that I and my friends will get a majority of the stock and that the contract for building the Road will be given to this Company in terms of the Act of Parliament. Americans are to be carefully excluded in the fear that they will sell it to the Northern Pacific. But I fancy we can get over that some way or other.

This position has not been attained without large payments of money. I have already paid over $200,000, and I will have at least $100,000 more to pay. I must now soon know what our New York friends are going to do. They did not answer my last letter.

Yours truly,

(Signed) HUGH ALLAN.

No. 17 *Letter.*

MONTREAL, 16th Sept., 1872.

DEAR MR. MCMULLEN,—I wanted at this time to have a meeting in New York to see what our friends there were disposed to do, but to-day I have a letter from General Cass stating that he is leaving New York for Chicago, there to join Mr. Ogden, and the two are going to Puget Sound. They say no meeting can be held till 15 November, which will not do at all.

I hope in ten days or so to have contract signed and would like immediately after to go to England to raise the money to build the line. I have disbursed $343,000 in gold, which I want to get repaid. I have still to pay $13,500 which will close everything off.

I will go to New York as soon as the contract is signed, say about 7 October, and would be glad to meet you there at that time.

Yours, truly,

(Signed), HUGH ALLAN.

G. W. MCMULLEN, ESQ.,
553 Washington Street,
Chicago, Ills.

No. 18 Letter.

MONTREAL, 24th October, 1872.

DEAR MR. MCMULLEN,—No action has yet (so far as I know) been taken by the Government in the matter of the Pacific Railroad. The opposition of the Ontario party will, I think, have the effect of shutting out our American friends from any participation in the road, and I apprehend that negociation is at an end.

It is still uncertain how it will be given (the contract), but in any case the Government seem inclined to exact a declaration that no foreigner will have directly or indirectly any interest in it. But everything is in a state of uncertainty, and I think it is unnecessary for you to visit New York on this business at present, or at all till you hear what the result is likely to be.

Public sentiment seems to be decided that the road shall be built by Canadians only.

Yours truly

(Signed) HUGH ALLAN.

G. W. MCMULLEN, ESQ.,
Picton, Ont.

Letter No. 19.

MONTREAL, 11th Nov. 1872.

DEAR MR. MCMULLEN,—You really know as much about the Pacific Railroad contract as I do, and that is not much.

I am assured that the Government have resolved to form a new Company, but under what conditions or who the parties will be I am ignorant. It is said that the whole matter will be arranged by the end of the month, and if so, we will soon know it.

I have not changed my views of what it ought to be.

Yours truly,

(Signed), HUGH ALLAN.

G. W. MCMULLEN, ESQ.
Picton, Ont.

NOTE. For residue of "Sealed Packet" see "N" and "O."

A 1.

Letter from Sir Hugh Allan to Hon. J. J. C. Abbott.

MONTREAL, 2nd September, 1873.

HON. J. J. C. ABBOTT:

DEAR SIR,—Referring to the parcel of papers deposited with Mr. Starnes, and which will no doubt be produced before the Royal Commission, I authorize you, on my behalf, to consent that it shall be opened by the Commissioners. But I object to any of the papers in it being used or published unless they are found to contain evidence which can be legally or judicially used in the case.

Yours, truly,

(Signed), HUGH ALLAN.

B.

Letter from James Beatty, Jr., to Sir F. Hincks, dated 17th July, 1871. (For this letter see deposition of Sir F. Hincks, page 11.)

C.

Reply of Sir F. Hincks, dated July 20, 1871. (For this letter see deposition of Sir F. Hincks, page 11.)

D.

Letter from James Beatty, Jr., to Sir Francis Hincks, dated July 24, 1871. (For this letter see deposition of Sir F. Hincks, page 12.)

E.

Reply of Sir Francis Hincks, dated 26th July, 1871. (For this letter see deposition of Sir F. Hincks, page 13.)

F.

Letter of Hon. D. L. Macpherson to *Mail*, dated 8th July, 1873, containing his reply to Sir Hugh Allan. (For this letter see deposition of Hon. D. L. Macpherson, page 24.)

G.

Telegram from Sir John A. Macdonald to Sir George E. Cartier.

July 26th, 1872.

SIR GEORGE CARTIER,

(*Private.*) Ottawa.

Have seen Macpherson. He has no personal ambition, but cannot, in justice to Ontario, concede any preference to Quebec in the matter of the P., or in any other particular. He says the question about the P. should be left to the Board. Under these circumstances I authorize you to assure Allan that the power of the Government will be exercised to secure him the position of P. The other terms to be as agreed on between Macpherson and Abbott. The whole matter to be kept quiet until after the elections; then the two gentlemen to meet the Privy Council at Ottawa, and settle the terms of a provisional agreement. This is the only practicable solution of the difficulty, and should be accepted at once by Allan. Answer.

(Signed), JOHN A. MACDONALD.

H.

Telegram from Sir G. E. Cartier to Sir John A. Macdonald.

KINGSTON, 31st July, 1872.

(By Telegraph from Montreal)

TO SIR JOHN A. MACDONALD:

Have seen Sir Hugh, he withdraws letter written you since you make objection to it, and relies for basis of arrangement on your telegram to me of which I gave him copy.

Matters go on well here. Hope they are same with you. Don't think it is necessary for you to come down here Saturday. I want to be out of town on Sunday, but will remain here if you specially desire to see me. Answer.

(Signed), G. E. CARTIER.

I

Telegram from Sir Hugh Allan to Sir J. A. Macdonald.

KINGSTON, July 31, 1872.

(By Telegraph from Montreal.)

TO SIR JOHN A. MACDONALD:

I have seen Sir Geo. Cartier to-day, you may return my letter or regard it as waste paper, it was not intended as anything official. Your telegram to Sir Geo. is the basis of our agreement, which I have no doubt you will approve of. He purposes to go out of town on Saturday afternoon, and I am pursuaded his health will be benefited thereby.

(Signed), HUGH ALLAN.

J.

Copies of a portion of Correspondence between Sir Hugh Allan and Charles M. Smith, George W. McMullen and George W. Cass, relative to the construction of the Canadian Pacific Railway.

No. 1 Telegraph.

FATHER POINT, October 8th, 1871.

C. M. SMITH (of Chicago,)

Metropolitan Hotel, N. Y.:

Send to me, care of Allan Bros., & Co., Liverpool, the names of the parties engaged with us in the Railroad enterprise.

(Signed), H. ALLAN.

No. 2 Letter.

17 Gracechurch Street,

LONDON, 4th November, 1871.

DEAR MR. SMITH,—I find a considerable interest manifested here by the moneyed men in our scheme of a Dominion Pacific Railroad, and if we desire to raise funds here to carry on the work, I have no doubt they can be obtained.

I have not heard anything from the Government on the subject, and I presume nothing will be done till I go back. I purpose to sail sometime this month.

Yours truly,

(Signed) HUGH ALLAN.

No. 3 Telegraph.

MONTREAL, December 7th, 1871.

C. M. SMITH, Banker:

I do not think the Government at Ottawa will be prepared to deal with us sooner than the eighteenth instant. Sir F. Hincks is here, and hints at necessity of advertising for tenders to avoid blame.

(Signed) HUGH ALLAN.

No. 4 Telegraph.

MONTREAL, December 8th, 1871.

C. M. SMITH:

I have seen Sir Francis to-day. He says they have determined to advertise, and that is of no use to visit Ottawa at present. I write you by mail.

(Signed) HUGH ALLAN.

No. 5 Letter.

MONTREAL, December 8th, 1871.

C. M. SMITH, ESQ., Chicago:

DEAR SIR,—Sir Francis Hincks called at my office this day, and said that while he was as anxious as ever to arrange with us about the Railroad, the feeling of the Government is that if they closed an agreement with us without advertising for tenders, they would be attacked about it in the House. I think this may be true, and in view of it I see no use in our going to Ottawa at present.

But I think we should meet and arrange preliminaries ourselves, and decide on a course of action. If therefore you could come here the 15th, I would go to New York with you on the 18th, and we could then put the affair in shape. Please advise me if this suits you.

Yours truly,

(Signed) HUGH ALLAN.

See copy of Contract entered into in pursuance of the suggestions in this letter.

No. 6 Letter.

MONTREAL, 29th December, 1871.

G. W. MCMULLEN, ESQ.,

Picton, Ont.:

DEAR SIR,—I have your note from Picton, but I have not heard from New York since I left there.

A good many rumours are afloat regarding railroad matters, and I have good reason to believe that Mr. Brydges is using all the influence he can with Cartier to thwart our views. Not that he has any proposal to make, but he wants to stop the Pacific Railroad altogether. A party in the interest of the Hudson's Bay Company, consisting of Donald A. Smith, D. McInnes, G. Laidlaw, G. Stephen, Daniel Torrance of N. Y., and one or two others have given notice in the *Official Gazette*, that they will apply for a Charter to make a railroad from Pembina to Fort Garry. That is the only one that affects us. I go to Ottawa on Wednesday next, and will return here on Saturday. I will find out there what is going on, but I think we are sure of Cartier's opposition.

Yours truly,

(Signed) HUGH ALLAN.

No. 7 Letter.

MONTREAL, January 1st, 1872.

DEAR MR. MCMULLEN,—I saw Mr. Brydges yesterday, and found out pretty nearly what he will require to join our railway project. His terms are very high, but as they possibly include more than himself, we may have to concede them. He thinks, however, that the Government will not have the courage to go into the scheme at all, and will shirk it until after the elections. I go to Ottawa Wednesday, and will see what they propose to do. I will write you as soon as I find out. I intend to return back to here on Saturday night.

Wishing you the compliments of the season,

I am,

Yours truly,

(Signed) HUGH ALLAN.

I have a telegram from you this morning, advising that you are going to New York. I therefore send this letter to the St. Nicholas Hotel there.

No. 8 Letter.

MONTREAL, January 24, 1872.

Messrs. CHAS. M. SMITH and GEO. W. MCMULLEN.

GENTLEMEN,—My subscription of one million four hundred and fifty thousand dollars, to the stock of the proposed Canada Pacific Railway Company, includes a sum of two hundred thousand dollars, furnished jointly by you and myself, to be transferred, in whole or in part to Mr. C. J. Brydges, on condition of his joining the organization and giving it the benefit of his assistance and influence. In case he refuses or neglects to join before the 15th day of April next, I will transfer at once thereafter to you, jointly, one hundred thousand

dollars of the before named subscription, and in case Mr. Brydges' influence and co-operation can be secured for a less interest in the Railway Company than the before named amount, then I will transfer to you one half of any residue that remains of the said two hundred thousand dollars after Mr. Brydges accession to the company has been secured. It is, however, understood that any residue, or portion of the two hundred thousand dollars named, may be used to secure any other influence deemed by myself and you desirable or important on the same terms as proposed in regard to Mr. Brydges, and may apply to others in addition to him.

Yours truly,

(Signed), HUGH ALLAN.

No. 9 *Letter.*

MONTREAL, 5th Feby. 1872.

DEAR MR. MCMULLEN.—I returned yesterday from Ottawa. Everything looks well up till the present time, but I may tell you in strict confidence that there are symptoms of coolness between Sir John A. and Cartier, arising from the coquetting of the latter with Blake and Mackenzie, to form an alliance and carry the elections next summer, with a view to leave John A. out in the cold. This would not be quite so favorable for us, but I am going to Toronto on the 7th inst., to look after our interests. We are all right with the *Globe*. You have not yet sent me the articles of agreement signed by the parties. Send it immediately as I need it in my negociations. I will require you to come down here by and by, to arrange the construction Company, and consult about other matters. In the printed Bill, is there not a mistake about the lands and the taxation? Look at it.

Yours truly,

(Signed) HUGH ALLAN.

G. W. MCMULLEN, Chicago.

I wrote you, but have not received any answer from you.

No. 10 *Letter.*

TORONTO, 24 Feby., 1872.

C. M. SMITH, ESQ., Chicago, Ills.

DEAR SIR,—Since writing to you yesterday I have seen Mr. D. L. Macpherson, of Toronto, who is member of the Dominion Senate, and rather an important person to gain over to our side. He has been applied to by our opponents, and uses that as a lever by which to obtain better terms from us. He insists on getting $250,000 of stock, and threatens opposition if he does not get it. You will remember he is one of those I proposed as a Director.

I will do the best I can, but I think that McMullen, you and myself will have to give up some of our stock to conciliate these parties.

Yours, truly,

(Signed), HUGH ALLAN.

No. 11 *Letter.*

MONTREAL, 28th Feby., 1872.

C. M. SMITH, ESQ.,

DEAR SIR,—It seem pretty certain that in addition to money payments the following stock will have to be distributed:

Hon. D. L. Macpherson	$100,000
Hon. A. B. Foster	100,000
D. A. Smith	100,000
C. J. Brydges	100,000
J. J. C. Abbott	50,000
D. McInnes	50,000
John Shedden	50,000
A. Allan	50,000
C. S. Gzowski	50,000
George Brown	50,000
A. S. Hincks	50,000
H. Nathan	50,000
T. McGreevy	50,000
	$850,000

To meet this I propose to give up of our stock as follows:

C. M. Smith	$250,000
G. W. McMullen	250,000
Hugh Allan	350,000
	$850,000

Please say if this is agreeable to you. I do not think we can do with less, and may have to give more. I do not think we will require more than $100,000 in cash, but I am not sure as yet. Who am I to draw on for money when it is wanted, and what proof of payment will be required? You are aware I cannot get receipts.

Our Legislature meets 11th April, and I am already deep in preparation for the game. Every day brings up some new difficulty to be encountered, but I hope meet them all successfully. Write to me immediately.

Yours, truly,

(Signed), HUGH ALLAN.

I think you will have to *go it blind* in the matter of the money (cash payments). I have already paid $8,500, and have not a voucher and cannot get one.

See supplemental Contract made in pursuance to requests in this letter, and at other times.

No. 12 *Letter.*

MONTREAL, 12 June, 1872.

G. W. MCMULLEN, ESQ.,
Russell House, Ottawa.

DEAR SIR,—I have this day received a telegram from you dated New York, asking me to meet you in Ottawa to-morrow on important business. I am unable to go, and if the

important business refers to the Pacific Railroad scheme, I do not think it necesary I should go. I believe I have got the whole matter arranged through my French friends by means you are aware of, and we have now the pledge of Sir G. that we will have a majority, and other things satisfactory. I have told you all along that this was the true basis of operation, and that anything else was powder and shot thrown away, and I think so still. You should come here and see me before you carry out any important transaction or pay any money. I want you to get a correct copy of the Government Bill and our own Bill, because we have first to consider how far they will suit our friends, and we may have to go to New York to consult them.

I will be in town to-morrow and Friday. I will be absent on Saturday, but will return here on Monday and be here till Friday.

Yours, truly,

(Signed), HUGH ALLAN.

Letter, No. 13

MONTREAL, July 1st, 1872.

G. W. CASS, Esq.
Liberty Street, New York.

MY DEAR SIR:—The negotiations regarding the Canadian Pacific Railroad are now approaching a termination, and I have no reason to doubt they will be favorable to us. I have been given to understand by Mr. McMullen that he has regularly kept you informed of the progress and position of affairs, hence, I have not communicated with you on the subject as often as I otherwise would have done. No doubt he informed you that, thinking as I had taken up the project, there must be something very good in it—a very formidable opposition was organized in Toronto, which, for want of better, took as their cry, "no foreign influence" —"No Yankee dictation"—"No Northern Pacific to choke off our Canadian Pacific" and others equally sensible.

So much effect however, was produced both in and out of Parliament by these cries and the agitation consequent on them, that after consulting Mr. McMullen I was forced unwillingly to drop ostensibly from our organization every American name and to put in reliable people on this side in place of them. It will be apparent to you that at this point Mr. McMullen and I differed a little as to the means to be adopted to influence the Government itself. Two opposing companies desiring to build the Railroad, were formed, the one from Ontario having the greatest number of names while that from Quebec had the greatest political power.

Mr. McMullen was desirous of securing the inferior members of the Government, and entered into engagements of which I did not approve, as I thought it only a waste of powder and shot. On a calm review of the situation I satisfied myself that the whole decision of the question must ultimately be in the hands of one man, and that man was Sir George E. Cartier, the leader and chief of the French party. This party has held the balance of power between the other factions. It has sustained and kept in office and existence the entire Government for the last five years. It consists of 45 men who have followed Cartier and voted in a solid phalanx for all his measures. The Government majority in Parliament being generally less than 45, it follows that the defection of one half or two thirds would at any time put the Government out of office. It was therefore evident that some means must be adopted to bring the influence of this compact body of members to bear in our favour, and as I soon made up my mind what was the best course to pursue, I did not lose a moment in following it up.

A Railroad from Montreal to Ottawa through the French country, north of the Ottawa river has long been desired by the French inhabitants, but Cartier, who is the salaried solicitor of the Grand Trunk Railroad, to which this would be on opposition, has always interposed difficulties, and by his influence prevented it being built. The same reason made him desirous of giving the contract for the Canadian Pacific into the hands of parties connected with the

Grand Trunk Railroad, and to this end he fanned the flame of opposition to us. But I saw in this *French* Railroad scheme, and in the near approach of the general elections, when Cartier as well as others had to go to their constituents for re-election, a sure means of attaining my object, especially as I purposed to carry it through to the terminus of the Pacific. The plans I propose are in themselves the best for the interests of the Dominion, and in urging them on the public I am really doing a most patriotic action. But even in that view, means must be used to influence the public, and I employed several young French lawyers to write it up for their own newspapers. I subscribed a controlling influence in the stock and proceeded to subsidize the newspapers themselves, both editors and proprietors. I went to the country through which the road would pass and called on many of the inhabitants. I visited the priests and made friends of them and I employed agents to go amongst the principal people and talk it up.

I then began to hold public meetings and attended to them myself making frequent speeches in French to them, showing them where their true interests lay. The scheme at once became popular and I formed a committee to influence the members of the Legislature.

This succeeded so well that in a short time I had 27 out of the 45 on whom I could rely, and the electors of the ward in this city which Cartier himself represents, notified him that unless the contract for the Pacific Railroad was given in the interests of Lower Canada he need not present himself for re-election. He did not believe this, but when he came here and met his constituents he found to his surprise that their determination was unchangeable.

He then agreed to give the contract as required, in this way that there would be 17 Provisional Directors of which Ontario would have 8 and we 9,—thereby giving us the control. We at once proceeded to organize the Company (our Section) and they named me the President, D. McInnes of Hamilton, Vice-President; E. L. de Bellefeuille, Secretary; and the Honorable J. J. C. Abbott, Legal Adviser.

We have advertised that the books for subscription of stock will be opened 15th July at the different places named in the Act, and we have notified the Government that we are willing to take the contract for building the Canadian Pacific Railroad on the terms and conditions prescribed in the Act. The next thing to be done is to subscribe the stock, which must be done by British subjects only, and ten per cent of the subscription must be paid in Cash, at the time of subscribing. We have the right of subscribing nine seventeenths (9–17) at present, and of taking up whatever the other party may not subscribe at the end of one month. I have arranged in the meantime that if you will send a certificate of the equivalent of $1.000,000 gold having been placed by Jay Cooke & Co to the credit of the Merchants' Bank of Canada, Montreal, in their own Bank in New York, it will accept the cheques for the subscription, but no money will pass till the contract is entered into, and then ten per cent on the amount of Stock awarded us will have to be paid in to the Receiver General. Be pleased, therefore, to send me, as early as possible powers of attorney to subscribe the stock and Jay Cooke & Co's certificate above mentioned. I have had several letters from England offering to take the whole thing up if we desire to part with it, but it looks to me to be too good to part with readily. If you desire any further information I will go to New York next week, if you desire it, and communicate with you personally. Please telegraph if you wish to see me, and the day. As you may suppose, the matter has not reached this point without great expense, a large portion of it only payable when the contract is obtained, but I think it will reach not much short of $300,000.

Yours faithfully,

(Signed) HUGH ALLAN.

I presume you desire that unless we can obtain and secure a majority of the Stock you could not take any, but on this point I wish to be instructed.

H. A.

No 14 *Letter.*

MONTREAL, July 16, 1872.

MY DEAR MR. MCMULLEN,—I feared you had got entirely lost in the depths of matrimony, but I am glad to notice by your letter dated 11th inst., that you have got safely back.

Since I saw you last the Pacific Railroad (Canada) scheme has gone through many phases, and its present position is difficult to describe.

Sir George Cartier has been in town for some days, and I have had several interviews with him. He now tells me that he does not now and never did intend to deal with either Macpherson's Company or ours, and that he only allowed them to get incorporated as a matter of amusement. But he says he always intended that the Government would form its own Company, who would carry on the work *under the orders of the Government, according to the views of the Government engineers, and with money furnished by the Government.* He says that he and Sir John A. made up their minds to this long ago, but did not tell any of their colleagues.

A kind of negociation is going on with both Macpherson and myself, relative to the composition of this Government Company, but it has not come to anything as yet. Meantime the period of the elections is drawing near, and unless the matter is arranged satisfactorily to Lower Canada, Sir George Cartier's prospect of being returned is very slim indeed. I cannot foresee with any certainty the ultimate result, but the decision cannot be long put off.

I will advise you as soon as anything is positively known.

Yours truly,

(Signed) HUGH ALLAN.

No. 15 *Letter.*

MONTREAL, August 6, 1872.

DEAR MR. MCMULLEN,—I have been hoping from day to day that some conclusion which I could communicate to you would be arrived at respecting the Pacific Railroad negociation, but some obstacle to cause delay always intervened. The near approach of the elections, however, and the stand taken by my French friends, that they would lend no help till I pronounced myself satisfied, has at length brought the matter to a crisis, and I think the game I have been playing is now likely to be attended with success.

Yesterday we entered into an agreement by which the Government bound itself to form a Company of Canadians only, according to my wishes. That this Company will make me President, and that I and my friends will get a majority of the stock, and that the contract for building the road will be given to this Company in terms of the Act of Parliament, Americans are to be carefully excluded in the fear that they will sell it to the Northern Pacific. But I fancy we can get over that some way or other.

This position has not been attained without large payments of money. I have already paid over $200,000, and I will have at least $100,000 more to pay. I must now soon know what out New York friends are going to do. They did not answer my last letter.

Your truly,

(Signed) HUGH ALLAN.

No. 16 *Letter.*

MONTREAL, 7th August, 1872.

G. W. CASS, ESQ.,
New York:

DEAR SIR,—I wrote you on 1st July, giving you a detailed account up till that date of the events and my movements in connection with the Canadian Pacific Railroad. I have not had any acknowledgment of the receipt by you of that letter, but I presume it reached you in due course. The questions I asked you, however, remain unanswered, and I now proceed to inform you of the progress of the negociation since the date of my letter.

The policy I adopted has been quite successful. The strong French influence I succeeded in obtaining, has proved sufficient to control the elections, and as soon as the Government realised this fact, which they were unwilling to admit and slow to see, they opened negociations with me.

It is unnecessary to detail the various phases through which it passed, but the result is that we yesterday signed an agreement by which, on certain monetary conditions, they agree to form the company, of which I am to be President, to suit my views, to give me and my friends a majority of the stock, and to give the company so formed the contract to build the road, on the terms of the Act of Parliament, which are $30,000,000 in cash, and 50 millions acres of land, with all other advantages and privileges which can be given to us under the Act, and they agree to do everything in their power to encourage and assist the company, during the whole period of construction. The final contract is to be executed within six weeks from this date—probably sooner.

Our opponents are to get the minority of the stock, and they regard us with great jealousy and dislike in consequence of their defeat, and on that account the Government is obliged to stipulate that no foreigner is to appear as a shareholder, so as to avoid the former cry of selling ourselves to the Northern Pacific, and succumbing to foreign influence. The shares taken by you and our other American friends, will therefore have to stand in my name for some time.

We shall get $6,000,000 of the stock out of the whole capital of $10,000,000.

I again ask you if the parties are willing to take the reduced amount of stock in the same proportions as the amounts signed for previously.

As is my duty, I offer it to you, but there are plenty desirous to get it. Ten per cent on the amounts will have to be paid up and deposited in the hands of the Government as security, but will be returned, I think, as soon as the work is fully begun. The expenses incurred in bringing the matter to this point have been very great. I have already paid away about $250,000 and will have to pay at least $50,000 more before the end of this month. I don't know that even that will finish it, but I hope so.

Of course this will all have to come from the subscribers of the $6,000,000 stock. If you elect to go on with the subscription, I will visit New York about the end of this month to settle the details with you. Please reply as early as convenient.

I am, yours faithfully,

(Signed), HUGH ALLAN.

No. 17 *Letter.*

MONTREAL, 16 Sept., 1872.

DEAR MR. MCMULLEN,—I wanted at this time to have a meeting in New York to see what our friends there were disposed to do, but to-day I have a letter from General Cass stating that he is leaving New York for Chicago, there to join Mr. Ogden, and the two are

going to Puget Sound. They say no meeting can be held till 15 November, which will not do at all.

I hope in ten days or so to have the contract signed, and would like immediately after to go to England to raise the money to build the line. I have disbursed $343,000 in gold which I want to get repaid. I have still to pay $13,500, which will close everything off.

I will go to New York as soon as the contract is signed, say about 7 October, and would be glad to meet you there at that time.

Yours, truly,

(Signed), HUGH ALLAN.

G. W. McMULLEN, ESQ.,
553 Washington St., Chicago, Ills.

Letter No. 18.

MONTREAL, 24th Oct., 1872.

DEAR MR. McMULLEN,—No action has yet (so far as I know) been taken by the Government in the matter of the Pacific Railroad. The opposition of the Ontario party will, I think, have the effect of shutting out our American friends from any participation in the road, and I apprehend all that negociation is at an end.

It is still uncertain how it will be given (the contract), but in any case the Government seem inclined to exact a declaration that no foreigner will have directly or indirectly any interest in it. But everything is in a state of uncertainty, and I think it unnecessary for you to visit New York on this business at present, or at all till you hear what the result is likely to be.

Public sentiment seems to be decided that the road shall be built by Canadians only.

Yours truly

(Signed) HUGH ALLAN.

G. W. McMULLEN, ESQ.,
Picton, Ont.

(The following reply was sent to the above.)

Letter No. 19.

PICTON, Nov. 6th, 1872.

MY DEAR SIR HUGH,—Since the receipt of your letter, the contents of which surprised me considerably, following so soon after our conversation at Montreal, and in view of the fact that the Government seem so much at sixes and sevens about the whole matter, I have of course communicated the substance of it to my friends. They are anxious to know whether such a decision will be arrived at, after the various pledges made, as will debar our Association from participation in the construction of the Railway. Whatever skirmishing may be done by way of talk, they can hardly have an idea that you will prove recreant to your business associates in an arrangement mainly of their own suggestion, (I mean the Government who first requested you to write to Chicago). However much they may be beset with political problems, I do not believe they could get, in any other way, so difficult a one on their hands as they could by taking such a course. Mr. Ogden and party are now back from Puget Sound, and I shall take an early opportunity of meeting them.

I should like any possible positive information, and in case the affair goes so that our association either directly or through you, cannot handle it, it would be well to know

it. But as the Government could not expect you to go into it and leave the others out entirely, I should think you could have it arranged as we have several times talked, *i. e.* the stock held by you subject to private arrangement with the others. And whatever street rumour may say of public opinion, I should judge that this would do all that is needed.

Please let me hear from you.

Truly yours,

(Signed), G. W. McMULLEN.

SIR HUGH ALLAN,
Montreal.

Letter No. 20.

Reply to above.

MONTREAL, 11th November, 1872.

DEAR MR. MCMULLEN,—You really know as much about the Pacific Railroad contract as I do, and that is not much.

I am assured that the Government have resolved to form a new Company, but under what conditions or who the parties will be, I am ignorant. It is said that the whole matter will be arranged by the end of this month, and if so we will soon know it.

I have not changed my views of what it ought to be.

Yours truly,

(Signed) HUGH ALLAN.

G. W. MCMULLEN, ESQ.,
PICTON, ONT.

K.

Copy of 1st Contract between Sir Hugh Allan and his American Associates.

NEW YORK, Dec. 23, 1871.

The undersigned hereby agree to associate themselves together for the following purposes, to wit:

First.—To form the Canadian Pacific Railway Company under a charter substantially as agreed upon, and subject to such modifications or changes as shall be hereafter mutually assented to, which charter is to be procured by Messrs. Sir Hugh Allan, Charles M. Smith and Geo. W. McMullen from the Parliament of Canada at its approaching Session.

Second.—Under and by authority of said charter the undersigned propose to construct the said Railway.

For these purposes, we, the undersigned, each for himself and not for the others agree to subscribe in all the sum of ten millions of dollars to the capital stock of the said Canada Pacific Railroad Company as follows:—

The various names subscribed to this contract at the end of it except Allan, C. M. Smith and McMullen, and such others as they may associate with them shall subscribe five millions five hundred thousand dollars ($5,500,000) and Sir Hugh Allan, Chas. M. Smith and George W. McMullen, and such others as they may associate with them, shall subscribe four millions five hundred thousand dollars ($4,500,000) and it is further agreed that the above named parties who shall subscribe for five millions five hundred thousand dollars, shall pay in the sum of ten per centum on the whole ten millions of dollars of stock to be subscribed as aforesaid, into the Banking House of Jay Cooke & Co., in New York city, to the credit of the Canada Pacific Railway Company upon its organization to be used for the construction of said Rail-

way and for such other purposes as the Directors of said Company hereafter to be elected shall determine, and it is also agreed that on the organization of said Railway Co., such a By-law shall be adopted as will prohibit any further assessments on the stock beyond the ten per cent paid as before specified unless ordered by a vote of at least nine tenths ($\frac{9}{10}$) of all the outstanding stock of the Company at some regular or special shareholders' meeting.

It is further agreed by the parties hereto, that they shall associate themselves together as the Canada Land and Improvement Co. which it is proposed shall be hereafter incorporated by the Parliament of Canada, for the purpose of constructing the said Railway, and for the purchase and sale of lands, and for other needed objects, and that their interests in the said Land and Improvement Co. shall be in the same proportions as their usual subscriptions to the Railway Stock, aforesaid, bear to the whole ten millions of dollars, ($10,000,000) subscribed, and it is agreed that the contracts for building any or all of the various Sections of the Canada Pacific Railway, when let, shall be let to the said Canada Land and Improvement Co., at fair prices, and to the Canada Land and Improvement Co., shall operate and be allowed the use of the said Railway, during the period of its construction, without charge therefor, except the expense of keeping the same in good order and repair at their own cost, during such use and control of said Railway.

It is also agreed that the first working capital of the said Canada Land and Improvement Company, shall be the aforesaid one million of dollars, to be paid in on the Railway Stock before named, less any amounts previously expended by order of the Board of Directors, and shall also consist of such sums or profits as shall thereafter be received by it, from time to time from said Railway Company, for construction and for work done in excess of the cost of such work, or so much thereof as may be necessary for the successful prosecution of said work. And it is expressly agreed that the first profits arising from the contracts above referred to, shall be used to reimburse (parties subscribing for $5,500,000) and their associates for the one million of dollars paid by them as a ten per cent instalment on the Railway Stock aforesaid, with interest thereon at the rate of seven per cent per annum.

And it is furthermore agreed that all, or at least a majority of all the stock or interest in both the Canada Pacific Railway Company and the Canada Land and Improvement Company, held by each of the undersigned, shall be placed in the hands of a Trustee (who is to be selected by the undersigned) to be held by him during the time occupied in building the said Railway, or until two-thirds of the owners or representatives of said stock, so held by said Trustees, shall elect to terminate said trust, and the said stock shall be voted on by the said Trustee or his successor, meanwhile, at all the meetings of stockholders, as he shall be directed to vote by the owners of a majority thereof. It is hereby agreed that after the one million of dollars heretofore mentioned, with the specified interest thereon, has been refunded to the parties advancing it, then all divisible profits of both the Canada Pacific Railway Company and the Canada Land and Improvement Company, shall be divided among the stockholders of each company in proportion to the shares they severally hold.

It is hereby understood that the names "Canada Pacific Railway Co" and "Canada Land and Improvement Co" are used for the sake of convenience and in case different names shall be adopted by the Canadian Parliament, or in case they shall fail to authorize any such Land and Improvement Co., then this agreement shall be understood to relate to such Railway as shall be authorized to be constructed in accordance with the provisions hereof across British Territory to the Pacific Ocean, Gulf of Georgia or Straits of Fuca and to the Improvement Company or association proposed to be organized to construct the same, which may be organized under and in accordance with the Laws of any of the States comprising the United States, and its terms shall govern the parties hereto in relation to the same, in the same manner as if the names above mentioned had been used in the said proposed Charters for said proposed organizations.

It is understood that no moneys in excess of one hundred thousand dollars shall be drawn from the funds of the proposed Canada Pacific Railway Company until the actual construction of the road begins unless by consent of the owners of or subscribers to at least two-thirds of the ten millions of dollars of stock to be subscribed in accordance with the terms of this contract.

The essential conditions of the charter referred to are a subsidy of fifteen thousand

dollars ($15,000) per mile for each and every mile of Road constructed, payable on the completion of sections of twenty miles, and a grant of lands equal to twenty thousand acres per mile for all the Road except from Fort Garry East, on the North Shore of Lake Superior to a junction with the section proposed to be built from Lake Nipissing to the Sault Ste. Marie on which the grant of lands is to be equal to twenty-five thousand acres per mile. The only forfeiture in case of failure to complete the entire Road within the time specified is to be the right to finish the uncompleted portions, the payments being absolute on the completion of each section of twenty miles.

The amounts proposed to be subscribed by the various parties to this contract are as follows:—Jay Cooke & Co. $1,000,000, D. McLaren $500,000, Wm. B. Ogden $637,500, J. Gregory Smith $500,000, G. W. Cass $637,500, H. R. Payson $175,000 Thos. A. Scott 500,000, F. E. Canda $175,000, C. J. Canda $150,000, R. D. Rice, W. G. Fargo, Frederick Billings, Wm. Windowa, B. P. Cheney, A. H. Barney and Thomas H. Canfield, or so many of them as become parties to this agreement, in all $1,225,000.

Sir Hugh Allan, Charles M. Smith and Geo. W. McMullen for themselves and others $4,500,000.

(Signed) Jay Cooke & Co., one million of dollars.
Wm. B. Ogden, six hundred and thirty-seven thousand, five hundred dollars.
G. W. Cass, six hundred and thirty-seven thousand, five hundred dollars.
J. Gregory Smith, five hundred thousand dollars.
D. McLaren, five hundred thousand dollars.
Thos. A. Scott, five hundred thousand dollars.
H. R. Payson, one hundred and seventy-five thousand dollars.
F. E. Canda, one hundred and seventy-five thousand dollars.
C. J. Canda, one hundred and fifty thousand dollars.
R. D. Rice, two hundred and thirty thousand dollars.
Frederick Billings, two hundred and thirty thousand dollars.
A. H. Barney, two hundred and thirty thousand dollars.
Wm. G. Fargo, for self and B. P. Cheney, two hundred and thirty thousand dollars.
Thomas H. Canfield, Wm. Windowa, one hundred and eighty thousand dollars.
Samuel Wilkinson, seventy-five thousand dollars.
Walter Hinchman, fifty thousand dollars.

$5,500,000.

Hugh Allan, one million four hundred and fifty thousand dollars.
Charles Mather Smith, one million five hundred and twenty-five thousand dollars.
George W. McMullen, one million five hundred and twenty-five thousand dollars.

$4,500,000.

L.

Copy of Supplemental Contract between Sir Hugh Allan and his American Associates; dated March 28th, 1872.

Whereas it appears that the Canadian Government prefer to give a gross sum of money and a gross amount of land for the construction of the Canada Pacific Railway and the branch thereof from Fort Garry to Pembina or St. Vincent or the International boundary line in that vicinity, now therefore the undersigned agree to so alter their contract or agreement of December 23rd, 1871, as to agree to take thirty-five millions of dollars ($35.000,000) in money (gold) and fifty millions of acres of land in amount, to be selected as proposed, and the money to be paid *pro rata* per mile as constructed, each mile to be counted as the one twenty-five hundreth ($\frac{1}{2500}$) part of the whole line to be built, and the land at the rate of twenty thousand acres for every mile of railway built, and in case in the judgment of our associate, Sir Hugh Allan, it should be deemed expedient by him to submit to the acceptance of thirty-three millions of dollars in gold ($33,000,000) and fifty millions (50,000,000) acres of land as

compensation for the construction of said Road, he is hereby authorized to do so; and in case a further reduction in price is found to be indispensable in order to secure the contract for the construction of the said Canada Pacific Railway, then J. Gregory Smith, Sir Hugh Allan, G. W. McMullen, Geo. W. Cass, and Wm. B. Ogden are hereby constituted a Committee with authority in them or a majority of them to submit to such further reduction in the money price to be paid in their discretion to any sum not below thirty millions of dollars ($30,000,000) as they shall think necessary or advisable, and the said committee or a majority of them shall have power to make such assessments, from time to time, for the general purposes of the company not exceeding in all one and one half per cent of the amounts agreed to be subscribed by us to the stock of the Canada Pacific Railway Company as they shall deem expedient. The said assessments are to be considered as part of the one million dollars agreed to be paid on the stock contracted to be subscribed by us in the agreement of December 23rd, 1871, and to be subject to the same conditions of payment and refunding with interest as are therein set forth.

And we hereby authorize the said Committee to take such other action for us as they may deem necessary in the premises consistent with the general terms of the contract of December, 23, 1871, and as modified hereby.

NEW YORK, March 28th, 1872.

(Signed), Jay, Cooke & Co., J. Gregory Smith, B. P. Cheney for self and W. J. Fargo, R. D. Rice, Thos. H. Canfield, A. H. Barney, G. W. Cass, Daniel McLaren, by J. W. Ellis, Frederick Billings, Wm. Windowa, H. R. Payson, F. E. Canda, C. J. Cande, Samuel Wilkison, W. B. Ogden, Walter Hinchman, Hugh Allan, Charles Mather Smith, George W. McMullen.

M.

Copy of acknowledgment from Jay Cooke & Co., to G. W. McMullen, of his drafts on various parties, etc.

(COPY.)

NEW YORK, April 1st, 1872.

G. W. MCMULLEN, ESQ., Secretary,
Canada Pacific R. R. Ex. Committee:

DEAR SIR,—We have to-day received of you your drafts on various parties to the amount of $50,000, which sum we credit to the Executive Committee of the Canada Pacific R. R. Association, subject to the draft of Sir Hugh Allan.

Respectfully,

(Signed) JAY COOKE & CO.

No. 1. NEW YORK, May 2nd, 1872.

JAY COOKE & Co., Bankers,
Corner Nassau and Wall Streets:

Pay to myself or order,

Fifteen Thousand Dollars.

$15,000. (Signed) HUGH ALLAN.

No. 2. NEW YORK, May 3rd, 1872.

JAY COOKE & Co., Bankers,
Corner Nassau and Wall Streets:

Pay to myself or order,
Twenty-five Thousand Dollars.

$25,000. (Signed) HUGH ALLAN.

I have also receipts for Fees on the Bills of the Canada Pacific R. R. Company, and the Canada Improvement Company, paid with other things to the Hon. J. J. C. Abbott, and by him settled with Mr. Todd, whose receipt I hold. Also my cheque showing the payment, returned me by Bank of Montreal, in due course.

G. W. McMULLEN.

N.

(Enclosed in Envelope Number Two, being portion of contents of "A" or "sealed packet.")

MERCHANTS' BANK OF CANADA,
February, 26th, 1873.

$17,500.00.

Pay Hon. Henry Starnes, or Order, seventeen thousand five hundred dollars cy.

(Signed) HUGH ALLAN.

To the Cashier.

Endorsement on back of above Cheque.

Mr. Starnes will please endorse and collect this Cheque, and pay proceeds to Mr. McMullen if he becomes entitled to it by the instructions.

(Sd) H. A.

O.

(Enclosed in small Envelope addressed "Hon. Henry Starnes," being portions of contents of "A" or "sealed packet.")

The Honorable Henry Starnes is requested to deliver over envelope No. *One* to Sir Hugh Allan; and envelope number *Two* to Mr. George W. McMullen, unless Sir Hugh Allan claims that the contents of the letters contained in envelope Number *One* have been divulged, or copies of them have been given to other than one person mentioned to Mr. Abbott, (which Mr. McMullen declares has not been and will not be done), in which case Mr. Starnes will open envelope Number *One* and having heard the parties will determine whether the contents of such letters have been divulged, copies granted other than above, or not. If he decides that they have not, he shall hand over envelope Number *Two* to Mr. McMullen and the letters to Sir Hugh Allan. If he decides otherwise he is to hand over envelope Number *Two* to Sir Hugh Allan, and the letters also, unless Mr. McMullen pays him Twenty thousand dollars in gold, in which case he will hand the letters to Mr. McMullen and envelope Number *Two* to Sir Hugh Allan with the twenty thousand dollars. And Mr. McMullen declares that the said envelope No *One* contains all of Sir Hugh Allan's letters in his possession or under his control.

(Signed) G. W. McMULLEN,
HUGH ALLAN.

Montreal 26th February, 1873.

(Endorsement on envelope covering above).

If Mr. Starnes is not requested to decide any disputes in regard to the ownership of papers herewith, he is to burn this envelope with its contents unopened, immediately on settlement.

HON. HENRY STARNES.

Endorsement on large inner envelope, contained in "A" or "sealed packet," and covering envelopes Nos. One and Two, and small envelope addressed "Hon. Henry Starnes."

Within ten days after the end of the coming Session of Parliament, the Hon. Henry Starnes is requested to deliver envelope number One to Sir Hugh Allan, and envelope number Two to Mr. G. W. McMullen, unless objections be made by Sir Hugh Allan to his doing so; in which case he will open the envelope addressed to himself and act as instructed therein.

(Signed) HUGH ALLAN.
" G. W. McMULLEN.

Montreal, 26th February, 1873.

Endorsement on "A" or "sealed packet."

Papers produced by Mr. Starnes before select Committee and returned to him subject to be produced to this Committee on their order.

(Signed) J. HILLYARD CAMERON
Chairman.
" J. G. BLANCHET,
" A. A. DORION.

17th May, 1873.

P.

Copy of first Contract between Sir Hugh Allan and his American associates.

(DUPLICATE ORIGINAL.)

NEW YORK, December 23rd, 1871.

The undersigned hereby agree to associate themselves together for the following purposes, to wit:

First—To form the Canada Pacific Railway Company, under a charter substantially as agreed upon, and subject to such modification or changes as shall be hereafter mutually assented to; which charter is to be procured by Messrs. Sir Hugh Allan, Charles M. Smith, and George W. McMullen, from the Parliament of Canada, at its approaching session.

Second—Under and by authority of said charter, the undersigned propose to construct the said railway. For these purposes we, the undersigned, each for himself, and not for the others, agree to subscribe, in all, the sum of ten millions of dollars to the capital stock of the said Canada Pacific Railway Company, as follows:

And such others as they may associate with them shall subscribe five millions five

hundred thousand dollars ($5,500,000) and Sir Hugh Allan, Charles M. Smith, and George W. McMullen, and such others as they may associate with them, shall subscribe four millions five hundred thousand dollars ($4,500,000), and it is further agreed that the above named parties who shall subscribe for five millions five hundred thousand dollars of said stock, shall pay in the sum of ten per centum, on the whole ten millions of dollars of stock to be subscribed, as aforesaid, into the Banking House of Jay Cooke & Co., in New York city, to the credit of the Canada Pacific Railway Company, upon its organization, to be used for the construction of said railway, and for such other purposes as the Directors of said Company, hereafter to be elected, shall determine. And it is also agreed that on the organization of said Railway Company, such a By-Law shall be adopted as will prohibit any further assessments on the stock, beyond the ten per cent. paid as before specified, unless ordered by a vote of at least nine-tenths of all the outstanding stock of the company at some regular or special shareholders' meeting.

And it is further agreed by the parties hereto that they shall associate themselves together as the Canada Land Improvement Company, which it is proposed shall be hereafter incorporated by the Parliament of Canada, for the purpose of constructing the said railway and for the purchase and sale of lands and for other needed objects; and that their interest in the said Land and Improvement Company shall be in the same proportions as their several subscriptions to the Railway Stock aforesaid, bear to the whole ten millions of dollars subscribed. And it is agreed that the contracts for building any or all of the various sections of the said Canada Pacific Railway, when let, shall be let to the said Canada Land and Improvement Company at fair prices, and the Canada Land and Improvement shall operate and be allowed the use of the said Railway, during the period of its construction, without charge therefor, except the expense of keeping the same in good order and repair, at their own cost, during such use and control of said railway.

It is also agreed that the first working capital of the said Canada Land and Improvement Company shall be the aforesaid one million dollars to be paid in on the Railway Stock before-named, less any amounts previously expended by order of the Board of Directors, and shall also consist of such sums or profits as shall thereafter be received by it, from time to time, from said Railway Company, for construction and for work done in excess of the cost of such work, or so much thereof as may be necessary for the successful prosecution of said work.

And it is expressly agreed that the first profits arising from the contracts before referred to, shall be used to reimburse

and their associates for the one million dollars paid by them as a ten per cent instalment on the Railway stock aforesaid, with interest thereon at the rate of seven per cent per annum. And it is furthermore agreed that all, or at least a majority of all the stock or interest in both the Canada Pacific Railway Company and the Canada Land and Improvement Company aforesaid, held by each of the undersigned, shall be placed in the hands of a Trustee (who is to be selected by the undersigned,) to be held by him during the time occupied in building the said Railway, or until two-thirds of the owners or representatives of said stock, so held by said Trustee, shall elect to terminate said trust; and the said stock shall be voted on by the said Trustee or his successor, meanwhile, at all the meetings of stockholders, as he shall be directed to vote by the owners of a majority thereof. It is hereby agreed that after the one million of dollars, heretofore mentioned, with the specified interest thereon, has been refunded to the parties advancing it, then all divisible profits of both the Canada Pacific Railway Company and the Canada Land and Improvement Company, shall be divided among the Stockholders of each Company, in proportion to the shares they severally hold.

It is hereby understood that the names "Canada Pacific Railway Company" and "Canada Land and Improvement Company" are used for the sake of convenience, and in case different names shall be adopted by the Canadian Parliament, or in case they shall fail to authorize any such Land and Improvement Company, then this agreement shall be understood to relate to such railway as shall be authorized to be constructed, in accordance with the provisions hereof, across British territory to the Pacific Ocean, Gulf of Georgia or Straits of Fuca, and to the Improvement Company or Association proposed to be organized to construct the same, which may be organized under and in accordance with the laws of any of the States

comprising the United States; and its terms shall govern the parties hereto in relation to the same, in the same manner as if the names above mentioned had been used in the said proposed Charter for said proposed organizations.

It is understood that no money in excess of one hundred thousand dollars shall be drawn from the funds of the proposed Canada Pacific Railway Company until the actual construction of the work begins unless by consent of the owners of or subscribers to at least two-thirds of the ten millions of dollars of stock to be subscribed in accordance with the terms of this contract.

The essential conditions of the charter referred to are a subsidy of fifteen thousand dollars per mile for each and every mile of road constructed payable on the completion of sections of twenty miles, and a grant of lands equal to twenty thousand acres per mile for all the road except from Fort Garry east on the north shore of Lake Superior to a junction with the section proposed to be built from Lake Nipissing to the Sault Ste. Marie on which the grant of Lands is to be equal to twenty-five thousand acres per mile. The only forfeiture in case of failure to complete the road within the time specified to be the right to finish the incompleted portions. The payments being absolute on the completion of each section of twenty miles.

Q.

Certified copy of letter from Sir Geo. E. Cartier to Sir Hugh Allan.

Private and Confidential.

MONTREAL, 30th July, 1872.

DEAR SIR HUGH,—The friends of the Government will expect to be assisted with funds in the pending elections; and any amount which you, or your Company shall advance for that purpose, shall be recouped to you.

A memorandum of immediate requirements is below.

Very truly yours,

(Signed) GEO. E. CARTIER.

SIR HUGH ALLAN.

NOW WANTED.

" Sir John A. Macdonald	$25,000
" Hon. Mr. Langevin	15,000
" Sir G. E. C	20,000
" Sir J. A. (add'l)	10,000
" Hon. Mr. Langevin (add'l)	10,000
" Sir G. E. C	30,000

The foregoing certified to be a true copy of the original letter produced by Sir Hugh Allan, before the Royal Commission, Re, Canada Pacific Railway, which original was at his desire allowed to be retained by him.

(Signed), CHARLES DEWEY DAY,
Chairman.

September 19, 1873.

R.

Certified Copy of Letter from Sir G. E. Cartier to Sir Hugh Allan.

MONTREAL, 30th July, 1872.

DEAR SIR HUGH:

I enclose you copies of telegrams received from Sir John A. Macdonald, and with reference to their contents I would say that in my opinion the Governor in Council will approve of

the amalgamation of your Company with the Inter-Oceanic Company under the name of the Canadian Pacific Railway Company, the Provincial Board of the amalgamated Company to be composed of seventeen members, of whom four shall be named from the Province of Quebec by the Canada Pacific Railway Company, four from the Province of Ontario by the Inter-Oceanic Railway Company, and the remainder by the Government: the Amalgamated Company to have the powers specified in the tenth section of the Act incorporating the Canada Pacific Company, and the agreement of amalgamation to be executed between the Companies within two months from this date. The Canada Pacific Company might take the initiative in procuring the amalgamation, and if the Inter-Oceanic Company should not execute an agreement of amalgamation upon such terms and within such limited time, I think the contemplated arrangements should be made with the Canada Pacific Company under its charter.

Upon the subscription and payment on account of stock being made as required by the Act of last Session respecting the Canadian Pacific Railway Company, I have no doubt but that the governor in Council will agree with the Company for the construction and working of the Canadian Pacific Railway with such branches as shall be agreed upon, and will grant to the Company all such subsidies and assistance as they are empowered to do by the Government Act. I believe all the advantages which the Government Act empowers the Government to confer upon any Company will be required to enable the works contemplated to be successfully carried through, and I am convinced that they will be accorded to the Company to be formed by amalgamation or to the Canada Pacific Company as the case may be.

I would add that as I approve of the measures to which I have referred in this letter, I shall use my best endeavors to have them carried into effect.

Very truly yours,

(Signed) GEO. E. CARTIER.

The foregoing certified to be a true copy of the original letter produced by Sir Hugh Allan before the Royal Commission Re Canada Pacific Railway, which original was at his desire allowed to be retained by him.

Sept. 19th., 1873, (Signed) CHARLES DEWEY DAY.
Chairman.

S.

Receipt for House Fees on Canada Improvement Company Bill.

PRIVATE BILL OFFICE.

HOUSE OF COMMONS,

OTTAWA, 1st June, 1872.

Fee and Charges on the Bill to Incorporate the Canada Improvement Company.

Fee payable under the 58th Rule		$100.00
Charge for printing Bill	500 English	2.25
	200 French	1.35
Charge for printing Act	500 English	1.34
	250 French	0.97
Translation		3.00
		$108.91

Received payment from Hon. J. J. C. Abbott, M.P.,

(Signed) ALFRED TODD,
Chief Clerk Private Bill Office.

T.

Receipt for House Fees on Canada Pacific Railway Company Bill.

PRIVATE BILL OFFICE.

HOUSE OF COMMONS,

OTTAWA, 1st June 1872.

Fee and Charges on the Bill to Incorporate the Canada Pacific Railway Company.

Fee payable under the 58th Rule		$100.00
Charge for printing Bill	500 English	9.66
	200 French	4.75
Charge for printing Act	500 English	5.36
	250 French	3.38
Translation		14.00
		$137.15

Received payment from Hon. J. J. C. Abbott, M. P.

(Signed), ALFRED TODD,
Chief Clerk Private Bill Office

U.

Letter from G. W. McMullen to Hon. J. J. C. Abbott.

MONTREAL, Feb. 25th, 1873.

DEAR SIR,—If before the expiry of ten days after the termination of the coming session of Parliament I do not hand you Messrs. Smith & Hurlburt's confirmation of the arrangement I have this day made with Sir Hugh Allan. I authorize the Honourable Henry Starnes to retain the envelope No. two, delivered to him, containing Sir Hugh Allan's cheque until I do produce such letter.

Yours truly,

(Signed), GEO. W. McMULLEN.

Hon. J. J. C. ABBOTT.

APPENDIX.

OTTAWA, 21st August, 1873.

To the Hon. LUCIUS SETH HUNTINGTON, of the City of Montreal in the Province of Quebec.

SIR,—I have the honor to enclose herewith a printed copy of the Royal Commission appointing Commissioners to inquire into and report upon the several matters stated in the Resolution moved by you in the House of Commons on the 2nd day of April last, relating to the Canada Pacific Railway, and to inform you that the Commissioners therein named will meet in the City of Ottawa in the Parliament House on Thursday, the fourth day of September next, at noon, for the purpose of making enquiry and taking evidence concerning the allegations contained in the Resolution and fully set forth in the Commission. You are requested to furnish to the Commission, with all convenient diligence, a list of the witnesses whom you may wish to examine, in order that they may be duly summoned to appear on the day and at the place above specified, and you are requested then and there to proceed with your evidence in the premises.

I have the honor to be,

Sir,

Your obedient Servant,

(Signed) CHARLES D. DAY,

Chairman.

OTTAWA, 21st August, 1873.

SIR,—I have the honor to inform you, that the Commissioners appointed to inquire into and report upon the several matters contained and stated in a certain Resolution moved by the Hon. Mr. Huntington in the House of Commons on the 2nd. April, 1873, relating to the Canadian Pacific Railway, will meet in the Parliament House in the City of Ottawa on Thursday the fourth day of September next at noon, for the purpose of making inquiry and taking evidence under the authority of the Commission concerning the allegations and matters contained in that Resolution, and that notice has been given to the Honorable Mr. Huntington to appear and proceed with his evidence then and there.

I have the honor to be,

Sir,

Your obedient Servant,

(Signed) CHARLES D. DAY.

Chairman.

MONTREAL, 26th August, 1873.

TO THE HONORABLE CHARLES D. DAY, *Chairman*,
Ottawa.

SIR,—I have the honor to acknowledge the receipt of your letter of the 21st of August, instant, enclosing a copy of the Royal Commission, appointing Commissioners to enquire into and report upon the several matters stated in the Resolution moved by me, in the House of Commons, on the 2nd day of April last, and requesting me to furnish to the Commission a list of the witnesses I might wish to examine, in order that they may be duly summoned to appear, and to proceed with my evidence.

I have to call your attention to the fact, apparent on the face of the Commission, that it was as a Member of the House of Commons, and from my place in Parliament, that I preferred these charges against Ministers of the Crown, and members of that House, which, on the 8th day of April last, entertained the charges, determined to invesigate them itself, and appointed a select Committee to enquire into it and report upon them; and to the further fact, apparent on the Journals of the House, that to the said Committee I furnished a list of some of the principal witnesses, whose evidence I believe could establish my charges, and I have always been ready to proceed to the proof thereof before the tribunal constituted by the House for the investigation.

The determination of the Commons to investigate these charges remains unaltered, and I deem it inconsistent with my duty as a member of Parliament, and a breach of the undoubted privileges of the House, to recognize any inferior or exceptional tribunal, created to enquire into charges still pending before the Commons, and so essentially affecting the privileges, dignity, and independence of Parliament.

I believe that it is a breach of those privileges, that a Royal Commission issued without the special sanction of the House, should take any cognizance of, or should assume to call on me, to justify words which I have spoken on the floor of the Commons, and for which I am responsible to them and to them alone.

I feel that I should do no act, which may be construed into an acquiescence in the attempt to remove from the Commons the conduct and control of the enquiry.

I believe that the creation of the Commission involves a breach of that fundamental principle of the constitution, which preserves to the Commons the right and duty of initiating and controlling inquiries into high political offences; that it involves also a breach of that fundamental principle of justice which prevents the accused from creating the tribunal and controlling the procedure for their trial; and that it is a Commission without precedent, unknown to the Common Law, unsanctioned by the Statute Law, providing by an exercise of the prerogative for an enquiry out of the ordinary course of justice into misdemeanour cognizable by the Courts, and consequently illegal and void.

Entertaining these views, you will not expect me to act otherwise than in conformity with them, and you will be satisfied that by my non-appearance before the Commission I intend no disrespect to the Commissioners, but am moved by the same sense of public duty which will constrain me at the earliest practicable moment to renew the efforts which I have been making since April last to bring to trial before the Commons of Canada the men whom I have impeached as public criminals.

I have the honor to be,
Sir,
Your Obedient Servant,
(Signed) L. S. HUNTINGTON,